PRELIMINARY OFFICIAL STATEMENT DATED JANUARY 16, 2019

<u>**NEW ISSUE—FULL BOOK-ENTRY**</u>

RATINGS: Moody's: "Aaa"; S&P: "AAA"
(See "MISCELLANEOUS – Ratings" herein)

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California ("Bond Counsel"), under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Series B Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the opinion of Bond Counsel, under existing statutes, rulings and judicial decisions, interest on the Series B-1 Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax. See "TAX MATTERS" with respect to tax consequences relating to the Bonds.

$70,000,000*
MARIN COMMUNITY COLLEGE DISTRICT
(Marin County, California)
Election of 2016 General Obligation Bonds, Series B
(Federally Tax-Exempt)

$97,500,000*
MARIN COMMUNITY COLLEGE DISTRICT
(Marin County, California)
Election of 2016 General Obligation Bonds, Series B-1
(Federally Taxable)

Dated: Date of Delivery **Due: August 1, as shown on the inside cover**

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. Capitalized terms used on this cover page not otherwise defined shall have the meanings set forth herein.

The Marin Community College District (Marin County, California) Election of 2016 General Obligation Bonds, Series B (Federally Tax-Exempt) (the "Series B Bonds") and the Marin Community College District (Marin County, California) Election of 2016 General Obligation Bonds, Series B-1 (Federally Taxable) (the "Series B-1 Bonds", and together with the Series B Bonds, the "Bonds") were authorized at an election of the registered voters of the Marin Community College District (the "District") held on June 7, 2016 at which the requisite 55% or more of the persons voting on the proposition voted to authorize the issuance and sale of $265,000,000 principal amount of general obligation bonds of the District (the "2016 Authorization"). The Bonds are being issued to (i) finance the acquisition, construction, modernization and equipping of District sites and facilities and (ii) pay the costs of issuing the Bonds.

The Bonds are general obligations of the District payable solely from *ad valorem* property taxes. The Board of Supervisors of Marin County is empowered and obligated to annually levy such *ad valorem* taxes, without limitation as to rate or amount, upon all property within the District subject to taxation thereby (except certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Bonds when due.

The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee for The Depository Trust Company, New York, New York (collectively referred to herein as "DTC"). Purchasers of interests in the Bonds (the "Beneficial Owners") will not receive physical certificates representing their interest in the Bonds, but will instead receive credit balances on the books of their respective nominees.

The Bonds will be issued as current interest bonds, such that interest thereon will accrue from the date of delivery of the Bonds, and be payable on February 1 and August 1 of each year, commencing August 1, 2019. Payments of principal of and interest on the Bonds will be made by U.S. Bank National Association, the designated Paying Agent, to DTC for subsequent disbursement to DTC Participants who will remit such payments to the Beneficial Owners of the Bonds.

The Bonds are subject to optional and mandatory sinking fund redemption prior to maturity, as stated herein.*

Maturity Schedule
(See inside front cover)

*The Bonds are offered when, as and if issued, subject to the approval as to their legality by Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, Bond Counsel and Disclosure Counsel. Certain matters will be passed on for the Underwriter by Kutak Rock LLP, Denver, Colorado. It is anticipated that the Bonds in definitive form will be available for delivery through the facilities of Cede & Co., as nominee of DTC, in New York, New York, on or about February 7, 2019.**

PiperJaffray

Dated: ____________, 2019

*Preliminary, subject to change.

Maturity Schedule for Series B Bonds
Base CUSIP[(1)]: 56781R

$70,000,000*
MARIN COMMUNITY COLLEGE DISTRICT
(Marin County, California)
Election of 2016 General Obligation Bonds, Series B
(Federally Tax-Exempt)

$____________ Series B Serial Bonds

Maturity (August 1)	Principal Amount	Interest Rate	Yield	CUSIP[(1)] Suffix

$_________ – ____% Series B Term Bonds due August 1, 20__ - Yield: _______; CUSIP[(1)]:

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* Preliminary, subject to change.

[(1)] CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services ("CGS"), managed by S&P Capital IQ on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP numbers have been assigned by an independent company not affiliated with the District, the Municipal Advisor, or the Underwriter and are included solely for the convenience of the registered owners of the applicable Bonds. None of the District, the Municipal Advisor, or the Underwriter are responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the applicable Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the execution and delivery of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

Maturity Schedule for Series B-1 Bonds
Base CUSIP[(1)]: 56781R

$97,500,000*
MARIN COMMUNITY COLLEGE DISTRICT
(Marin County, California)
Election of 2016 General Obligation Bonds, Series B-1
(Federally Taxable)

$____________ Series B-1 Serial Bonds

Maturity (August 1)	Principal Amount	Interest Rate	Yield	CUSIP[(1)] Suffix

$_________ – ____% Series B-1 Term Bonds due August 1, 20__ - Yield: _______; CUSIP[(1)]:

* Preliminary, subject to change.

(1) CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services ("CGS"), managed by S&P Capital IQ on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP numbers have been assigned by an independent company not affiliated with the District, the Municipal advisor, or the Underwriter and are included solely for the convenience of the registered owners of the applicable Bonds. None of the District, the Municipal advisor, or the Underwriter are responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the applicable Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the execution and delivery of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

This Official Statement does not constitute an offering of any security other than the original offering of the Bonds of the District. No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representations other than as contained in this Official Statement, and if given or made, such other information or representation not so authorized should not be relied upon as having been given or authorized by the District.

The issuance and sale of the Bonds have not been registered under the Securities Act of 1933 or the Securities Exchange Act of 1934, both as amended, in reliance upon exemptions provided thereunder by Section 3(a)2 and 3(a)12, respectively, for the issuance and sale of municipal securities. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

Certain information set forth herein has been obtained from sources outside of the District which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the District. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

When used in this Official Statement and in any continuing disclosure by the District in any press release and in any oral statement made with the approval of an authorized officer of the District or any other entity described or referenced in this Official Statement, the words or phrases "will likely result," "are expected to," "will continue," "is anticipated," "estimate," "project," "forecast," "expect," "intend" and similar expressions identify "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

The Underwriter has provided the following sentence for inclusion in this Official Statement:

> "The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or the completeness of such information."

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT LEVELS ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE BONDS TO CERTAIN SECURITIES DEALERS AND DEALER BANKS AND BANKS ACTING AS AGENT AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGES AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

The District maintains a website. However, the information presented on such website is not part of this Official Statement and should not be relied upon in making an investment decision with respect to the Bonds.

MARIN COMMUNITY COLLEGE DISTRICT

PROFESSIONAL SERVICES

Bond Counsel and Disclosure Counsel

Stradling Yocca Carlson & Rauth,
a Professional Corporation
San Francisco, California

Municipal Advisor

Keygent LLC
El Segundo, California

Paying Agent

U.S. Bank National Association
San Francisco, California

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(Marin County, California)
Election of 2016 General Obligation Bonds, Series B
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$97,500,000[*]
MARIN COMMUNITY COLLEGE DISTRICT
(Marin County, California)
Election of 2016 General Obligation Bonds, Series B-1
(Federally Taxable)

INTRODUCTION

This Official Statement, which includes the cover page, inside cover pages, and appendices hereto, provides information in connection with the sale of the (i) Marin Community College District (Marin County, California) Election of 2016 General Obligation Bonds, Series B (Federally Tax-Exempt) (the "Series B Bonds") and (ii) Marin Community College District (Marin County, California) Election of 2016 General Obligation Bonds, Series B-1 (Federally Taxable) (the "Series B-1 Bonds" and together with the Series B Bonds, the "Bonds").

This Introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page, inside cover pages and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement.

The District

The Marin Community College District (the "District") was established in 1926 and serves a portion of Marin County. The District currently maintains one comprehensive community college, College of Marin, with campuses in Kentfield and Novato. The District has been a Community Supported (Basic Aid) district (defined herein) since fiscal year 2002-03. For fiscal year 2018-19, the District has projected a full-time equivalent student count ("FTES") of 3,716. Taxable property within the District has a fiscal year 2018-19 assessed valuation of $78,442,481,988.

The College of Marin is fully accredited by the Accrediting Commission of Community and Junior Colleges ("ACCJC"). See "MARIN COMMUNITY COLLEGE DISTRICT – Accreditation" herein.

The District is governed by a seven-member Board of Trustees (the "Board of Trustees"), each member of which is elected at-large to a four-year term. Elections for positions to the Board of Trustees are held every two years, alternating between three and four available positions. The management and policies of the District are administered by a Superintendent/President appointed by the Board of Trustees who is responsible for day-to-day District operations as well as the supervision of the District's other key personnel. Dr. David Wain Coon is the District Superintendent/President and Mr. Greg Nelson is the Assistant Superintendent/Vice President of Administrative Services. See "MARIN COMMUNITY COLLEGE DISTRICT" herein.

For more information about the District generally, see "FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA" and "MARIN COMMUNITY COLLEGE DISTRICT" herein. For more information regarding the District's assessed valuation, see "TAX BASE FOR REPAYMENT OF BONDS" herein. The District's audited financial statements for the fiscal year ended June 30, 2018 are attached hereto as Appendix B and should be read in their entirety. The discussion of the District's financial history and the financial information contained herein does not purport to be complete or definitive.

Purpose of the Bonds

The Bonds are being issued to (i) finance the acquisition, construction, modernization and equipping of District sites and facilities and (ii) pay the costs of issuing the Bonds. See "THE BONDS – Application and Investment of Bond Proceeds" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

Concurrent Borrowing

On January 15, 2019, the District entered into a contract of purchase (the "2019 Certificates Contract of Purchase") with the Underwriter in connection with the public sale of its Certificates of Participation (2019 Workforce Housing Project), in an aggregate principal amount of $3,980,000 (the "2019 Certificates"), the net proceeds of which will be used to finance the acquisition and construction of District facilities, including workforce housing. Upon the satisfaction of the terms and conditions contained in the 2019 Certificates Contract of Purchase, the 2019 Certificates are expected to be delivered concurrently with the issuance of the Bonds, on or about February 7, 2019. The 2019 Certificates will be an obligation of the District payable from any source of legally available funds, and the obligation of the District to make payments will not constitute an obligation of the District for which the District is obligated to levy or pledge any form of taxation or for which the District has levied or pledged any form of taxation. The 2019 Certificates will evidence fractional and undivided interests in the right to receive certain lease payments, and any prepayments thereof, to be made by the District pursuant to a lease-purchase agreement (the "Lease") by and between the District and the Public Property Financing Corporation of California. Such lease payments are designed to pay, when due, the principal and interest with respect to the 2019 Certificates. The District will covenant in the Lease to take such action as may be necessary to include such lease payments and other payments due under the Lease in its annual budgets and to make the necessary annual appropriations therefor.

Authority for Issuance of the Bonds

The Bonds are issued pursuant to certain provisions of the State of California Government Code and other applicable law, and pursuant to a resolution adopted by the Board of Trustees of the District on October 16, 2018 (the "Resolution"). See "THE BONDS – Authority for Issuance" herein.

Security and Sources of Payment for the Bonds

The Bonds are general obligations of the District payable solely from *ad valorem* property taxes. The Board of Supervisors of the County is empowered and obligated to levy such *ad valorem* taxes, without limitation as to rate or amount, upon all property within the District subject to taxation thereby (except certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Bonds when due. See "THE BONDS – Security and Sources of Payment" and "TAX BASE FOR REPAYMENT OF BONDS" herein.

Description of the Bonds

Denominations. Individual purchases of interests in the Bonds will be available to purchasers of the Bonds in the denominations of $5,000 principal amount, or any integral multiples thereof.

Form and Registration. The Bonds will be issued in fully registered form only (without coupons), initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), and will be available to actual purchasers of the Bonds (the "Beneficial Owners") in the denominations set forth on the inside cover, under the book-entry only system maintained by DTC, only through brokers and dealers who are or act through DTC Participants as described herein.

Beneficial Owners will not be entitled to receive physical delivery of the Bonds and will not receive physical certificates representing their interests in the Bonds purchased, but will instead receive credit balances on the books of their respective nominees. See "THE BONDS – Book-Entry Only System" herein. In event that the book-entry only system described below is no longer used with respect to the Bonds, the Bonds will be registered in accordance with the Resolution described herein. See "THE BONDS – Transfer of Bonds" herein.

So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the "Owners", "Bondowners" or "Holders" of the Bonds (other than under the captions "INTRODUCTION – Tax Matters," "TAX MATTERS" and in "APPENDIX A") will mean Cede & Co. and will not mean the Beneficial Owners of the Bonds.

Redemption. * The Bonds maturing on or after August 1, 20__ are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of funds, on August 1, 20__ or on any date thereafter as a whole, or in part. The Bonds are further subject to mandatory sinking fund redemption as further described herein. See "THE BONDS – Redemption" herein.

Payments. The Bonds will be issued as current interest bonds, such that interest thereon will accrue from their initial execution and delivery, and be payable semiannually on each February 1 and August 1, commencing August 1, 2019 (each, a "Bond Payment Date"). Principal of the Bonds is payable on August 1 of each year, as shown on the inside cover pages hereof.

Payments of the principal of and interest on the Bonds will be made by U.S. Bank National Association, as the designated paying agent, bond registrar and transfer agent (the "Paying Agent"), to DTC for subsequent disbursement through DTC Participants (defined herein) to the Beneficial Owners. See also "THE BONDS – Book-Entry Only System" herein.

Tax Matters

Series B Bonds. In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, Bond Counsel, based on existing statutes, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Series B Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest on the Series B Bonds is exempt from State of California (the "State") personal income tax. See "TAX MATTERS – Series B Bonds" herein.

Series B-1 Bonds. In the opinion of Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, interest on the Series B-1 Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In the further opinion of Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, interest on the Series B-1 Bonds is exempt from State personal income tax. See "TAX MATTERS – Series B-1 Bonds" herein.

* Preliminary, subject to change.

Offering and Delivery of the Bonds

The Bonds are offered when, as and if issued, subject to approval as to the validity by Bond Counsel. It is anticipated that the Bonds will be available for delivery through the facilities of DTC in New York, New York, on or about February 7, 2019* (the "Closing Date").

Bond Owner's Risks

The Bonds are general obligations of the District payable solely from *ad valorem* property taxes, which may be levied without limitation as to rate or amount (except with respect to certain personal property which is taxable at limited rates) on all taxable property in the District. For more complete information regarding the District's financial condition and taxation of property within the District, and certain other matters, see "TAX BASE FOR REPAYMENT OF BONDS," "MARIN COMMUNITY COLLEGE DISTRICT", "FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA" and "LIMITATION ON REMEDIES; BANKRUPTCY" herein.

Continuing Disclosure

The District has covenanted that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. "Continuing Disclosure Certificate" shall mean that certain contractual undertaking relating to the disclosure of annual financial information and notices of certain listed events executed by the District with respect to the Bonds, as it may be amended from time to time in accordance with its terms. See "LEGAL MATTERS – Continuing Disclosure – Current Undertaking" herein, and "APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE FOR THE BONDS" attached hereto. These covenants have been made in order to assist the Underwriter (defined herein) in complying with the SEC Rule 15c2-12(b)(5) (the "Rule").

Professionals Involved in the Offering

The Bonds will be issued subject to their approval by Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, acting as Bond Counsel and Disclosure Counsel to the District. Keygent LLC, El Segundo, California, is acting as Municipal Advisor to the District. Certain matters will be passed upon for the Underwriter by Kutak Rock LLP, Denver, Colorado.

Forward Looking Statements

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "intend," "expect," "estimate," "project," "budget" or other similar words. Such forward-looking statements include, but are not limited to, certain statements contained in the information regarding the District herein.

THE ACHIEVEMENTS OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS

* Preliminary, subject to change.

EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE DISTRICT DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT.

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change.

Copies of documents referred to herein and information concerning the Bonds are available from the Marin Community College District, 835 College Avenue, Kentfield, California 94904. The District may impose a charge for copying, mailing and handling.

No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representations other than as contained herein and, if given or made, such other information or representations must not be relied upon as having been authorized by the District. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. The summaries and references to documents, statutes and constitutional provisions referred to herein do not purport to be comprehensive or definitive, and are qualified in their entireties by reference to each such documents, statutes and constitutional provisions.

Certain information set forth herein, other than that provided by the District, has been obtained from official sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the District. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

Capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Resolution.

THE BONDS

Authority for Issuance

The Bonds are issued pursuant to the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, Article XIIIA of the California Constitution and pursuant to a resolution adopted by the Board of Trustees on October 16, 2018 (the “Resolution”).

The District received authorization at an election held on June 7, 2016, by the requisite 55% of the votes cast by eligible voters within the District, to issue not-to-exceed $265,000,000 of general obligation bonds (the “2016 Authorization”). The Series B Bonds are the third issuance and the Series B-

1 Bonds are the fourth and final issuance of bonds pursuant to the 2016 Authorization. After the issuance of the Bonds, none of the 2016 Authorization will remain unissued.

Security and Sources of Payment

The Bonds are general obligations of the District payable solely from *ad valorem* property taxes. The Board of Supervisors of the County is empowered and obligated to levy such *ad valorem* taxes, without limitation as to rate or amount, upon all property within the District subject to taxation thereby (except certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Bonds when due. The levy may include an allowance for an annual reserve, established for the purpose of avoiding fluctuating tax levies. The County, however, is not obligated to establish such a reserve, and the District can make no representation that the County will do so. Such taxes will be levied annually in addition to all other taxes during the period that the Bonds are outstanding in an amount sufficient to pay the principal of and interest on the Bonds when due. Such taxes, when collected, will be placed by the County in the Debt Service Funds (defined herein), which are segregated and held by the County and which are designated for the payment of the Bonds and interest thereon when due, and for no other purpose. Pursuant to the Resolution, the District has pledged funds on deposit in each Debt Service Fund to the payment of the respective series of Bonds to which such fund relates. Although the County is obligated to levy *ad valorem* property taxes for the payment of the Bonds, and the County will maintain the Debt Service Funds, the Bonds are not a debt of the County.

The moneys in the Debt Service Funds, to the extent necessary to pay the principal of and interest on the Bonds, as the same becomes due and payable, will be transferred by the County to the Paying Agent which, in turn, will pay such moneys to DTC to pay the principal of and interest on the Bonds. DTC will thereupon make payment of such principal and interest to the DTC Participants for subsequent disbursement to the Beneficial Owners of the Bonds.

The rate of the annual *ad valorem* property taxes levied by the County to repay the Bonds will be determined by the relationship between the assessed valuation of taxable property in the District and the amount of debt service due on the Bonds in any year. Fluctuations in the annual debt service on the Bonds and the assessed value of taxable property in the District may cause the annual tax rates to fluctuate. Economic and other factors beyond the District's control, such as general market decline in land values, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by the State and local agencies and property used for qualified education, hospital, charitable or religious purposes), or the complete or partial destruction of the taxable property caused by a natural or manmade disaster, such as earthquake, flood, fire, drought or toxic contamination, could cause a reduction in the assessed value of taxable property within the District and necessitate a corresponding increase in the respective annual tax rates. For further information regarding the District's assessed valuation, tax rates, overlapping debt, and other matters concerning taxation, see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIIIA of the California Constitution" and "TAX BASE FOR REPAYMENT OF BONDS – Assessed Valuations" herein.

Statutory Lien

Pursuant to California Government Code Section 53515, the Bonds will be secured by a statutory lien on all revenues received pursuant to the levy and collection of *ad valorem* property taxes for the payment thereof. The lien automatically attaches, without further action or authorization by the Board, and is valid and binding from the time the Bonds are executed and delivered. The revenues received pursuant to the levy and collection of the *ad valorem* property tax will be immediately subject to the lien, and such lien will be enforceable against the District, its successor, transferees and creditors, and all other parties asserting rights therein, irrespective of whether such parties have notice of the lien and without the need for physical delivery, recordation, filing or further act.

This statutory lien, by its terms, secures not only the Bonds, but also any other bonds of the District issued after January 1, 2016 and payable, both as to principal and interest, from the proceeds of *ad valorem* taxes that may be levied pursuant to paragraphs (2) and (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution. The statutory lien provision does not specify the relative priority of obligations so secured or a method of allocation in the event that the revenues received pursuant to the levy and collection of such *ad valorem* taxes are insufficient to pay all amounts then due and owing that are secured by the statutory lien.

General Provisions

The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee for DTC. Beneficial Owners will not receive physical certificates representing their interest in the Bonds.

Interest on the Bonds accrues from the Date of Delivery and is payable on each Bond Payment Date, commencing August 1, 2019. Interest on the Bonds shall be computed on the basis of a 360-day year of twelve 30-day months. Each Bond shall bear interest from the Bond Payment Date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the 16th day of the month immediately preceding any Bond Payment Date to and including such Bond Payment Date, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before July 15, 2019, in which event it shall bear interest from the Date of Delivery. The Bonds are issuable in denominations of $5,000 principal amount, or any integral multiple thereof, and mature on August 1, in the years and amounts set forth on the inside cover pages hereof.

Payment of interest will be made on any Bond Payment Date to the person appearing on the registration books of the Paying Agent as the registered Owner thereof as of the close of business on the 15^{th} day of the month next preceding any Bond Payment Date (a "Record Date"), such interest to be paid by either (i) check mailed to such Bond Owner on the Bond Payment Date at his or her address as it appears on such registration books or at such other address as he or she may have filed with the Paying Agent for that purpose on or before the Record Date, or (ii) by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date. The principal of and redemption premium, if any, payable on the Bonds shall be payable upon maturity or redemption upon surrender at the designated office of the Paying Agent. The principal of, premiums, if any, and interest on the Bonds will be payable in lawful money of the United States of America.

Annual Debt Service

Series B Bonds. The following table shows the annual debt service requirements of the District for the Series B Bonds, assuming no optional redemptions are made:

Year Ending Aug. 1	Annual Principal Payment	Annual Interest Payment(1)	Total Annual Debt Service Payment

(1) Interest payments on the Series B Bonds will be made semiannually on February 1 and August 1 of each year, commencing August 1, 2019.

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Series B-1 Bonds. The following table shows the annual debt service requirements of the District for the Series B-1 Bonds, assuming no optional redemptions are made:

Year Ending Aug. 1	**Annual Principal Payment**	**Annual Interest Payment[(1)]**	**Total Annual Debt Service Payment**

____
[(2)] Interest payments on the Series B-1 Bonds will be made semiannually on February 1 and August 1 of each year, commencing August 1, 2019.

See "MARIN COMMUNITY COLLEGE DISTRICT – District Debt Structure – General Obligation Bonds" herein for a full debt service schedule of all of the District's outstanding general obligation bond debt.

Application and Investment of Bond Proceeds

The Bonds are being issued to (i) finance the acquisition, construction, modernization and equipping of District sites and facilities and (ii) pay the costs of issuing the Bonds.

Series B Bonds. The net proceeds from the sale of the Series B Bonds will be paid to the County to the credit of the "Marin Community College District, Election of 2016 General Obligation Bonds Series B Building Fund" (the "Series B Building Fund"). Any premium received by the County from the sale of the Series B Bonds will be kept separate and apart in the fund designated as the "Marin Community College District, Election of 2016 General Obligation Bonds Series B Debt Service Fund" (the "Series B Debt Service Fund") and used only for payment of principal of and interest on the Series B Bonds, and for no other purpose. Any excess proceeds of the Series B Bonds not needed for the authorized purposes for which the Series B Bonds are being issued shall be transferred to the Series B Debt Service Fund and applied to the payment of principal of and interest on the Series B Bonds. If, after payment in full of the Series B Bonds, there remain excess proceeds, any such excess amounts shall be transferred to the general fund of the District.

Series B-1 Bonds. The net proceeds from the sale of the Series B-1 Bonds will be paid to the County to the credit of the "Marin Community College District, Election of 2016 General Obligation Bonds Series B-1 Building Fund" (the "Series B-1 Building Fund" and, together with the Series B Building Fund, the "Building Funds"). Any premium received by the County from the sale of the Series B-1 Bonds will be kept separate and apart in the fund designated as the "Marin Community College District, Election of 2016 General Obligation Bonds Series B-1 Debt Service Fund" (the "Series B-1 Debt Service Fund") and used only for payment of principal of and interest on the Series B-1 Bonds, and for no other purpose. Any excess proceeds of the Series B-1 Bonds not needed for the authorized purposes for which the Series B-1 Bonds are being issued shall be transferred to the Series B-1 Debt Service Fund and applied to the payment of principal of and interest on the Series B-1 Bonds. If, after payment in full of the Series B-1 Bonds, there remain excess proceeds, any such excess amounts shall be transferred to the general fund of the District.

Redemption

Optional Redemption. *

Series B Bonds. The Series B Bonds maturing on or before August 1, 20__ are not subject to redemption. The Series B Bonds maturing on or after August 1, 20__ are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, in whole or in part, on any date on or after August 1, 20__, at a redemption price equal to the principal amount of the Series B Bonds called for redemption, together with interest accrued thereon to the date fixed for redemption, without premium.

Series B-1 Bonds. The Series B-1 Bonds maturing on or before August 1, 20__ are not subject to redemption. The Series B-1 Bonds maturing on or after August 1, 20__ are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, in whole or in part, on any date on or after August 1, 20__, at a redemption price equal to the principal amount of the Series B-1 Bonds called for redemption, together with interest accrued thereon to the date fixed for redemption, without premium.

Mandatory Sinking Fund Redemption. *

Series B Bonds. The Series B Term Bonds maturing on August 1, 20__, are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 20__, at a redemption price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption, without premium. The principal amount represented by such Series B Term Bonds to be so redeemed and the dates therefor and the final principal payment date are as indicated in the following table:

Redemption Date (August 1)	Principal Amount

In the event that a portion of the Series B Term Bonds maturing on August 1, 20__ is optionally redeemed prior to maturity, the remaining mandatory sinking fund payments shown above shall be reduced proportionately, or as otherwise directed by the District, in integral multiples of $5,000 principal amount, in respect of the portion of such Series B Term Bonds optionally redeemed.

Series B-1 Bonds. The Series B-1 Term Bonds maturing on August 1, 20__, are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 20__, at a redemption price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption, without premium. The principal amount represented by such Series B-1 Term Bonds to be so redeemed and the dates therefor and the final principal payment date are as indicated in the following table:

* Preliminary, subject to change.

Redemption Date (August 1)	Principal Amount

In the event that a portion of the Series B-1 Term Bonds maturing on August 1, 20__ is optionally redeemed prior to maturity, the remaining mandatory sinking fund payments shown above shall be reduced proportionately, or as otherwise directed by the District, in integral multiples of $5,000 principal amount, in respect of the portion of such Series B-1 Term Bonds optionally redeemed.

Selection of Bonds for Redemption. Whenever provision is made for the optional redemption of Bonds and less than all Bonds of a series are to be redeemed, the Paying Agent, upon written instruction from the District, shall select Bonds for redemption as so directed and if not directed, in inverse order of maturity. Within a maturity, the Paying Agent shall select Bonds for redemption as directed by the District, and if not so directed, by lot. Redemption by lot shall be in such manner as the Paying Agent shall determine; provided, however, that with respect to redemption by lot, the portion of any Bond to be redeemed in part shall be in integral multiples of $5,000 principal amount.

Notice of Redemption. When redemption is authorized or required pursuant to the Resolution and upon written instruction from the District, the Paying Agent will give notice (a "Redemption Notice") of the redemption of the Bonds (or portions thereof). Each Redemption Notice will specify (a) the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) which are to be redeemed, (b) the date of redemption, (c) the place or places where the redemption will be made, including the name and address of the Paying Agent, (d) the redemption price, (e) the CUSIP numbers (if any) assigned to the Bonds to be redeemed, (f) the Bond numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the portion of the principal amount of such Bond to be redeemed, and (g) the original issue date, interest rate and stated maturity date of each Bond to be redeemed in whole or in part.

The Paying Agent will take the following actions with respect to each such Redemption Notice: (a) at least 20 but not more than 45 days prior to the redemption date, such Redemption Notice will be given to the respective Owners of Bonds designated for redemption by registered or certified mail, postage prepaid, at their addresses appearing on the Bond Register; (b) at least 20 but not more than 45 days prior to the redemption date, such Redemption Notice will be given by registered or certified mail, postage prepaid, telephonically confirmed facsimile transmission, or overnight delivery service, to the Securities Depository; (c) at least 20 but not more than 45 days prior to the redemption date, such Redemption Notice will be given by registered or certified mail, postage prepaid, or overnight delivery service, to one of the Information Services; and (d) to such other persons as may be required pursuant to the Continuing Disclosure Certificate.

"Information Services" means the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System; or, such other services providing information with respect to called municipal obligations as the District may specify in writing to the Paying Agent or as the Paying Agent may select.

"Securities Depository" shall mean The Depository Trust Company, 55 Water Street, New York, New York 10041.

A certificate of the Paying Agent or the District that a Redemption Notice has been given as provided in the Resolution will be conclusive as against all parties. Neither failure to receive any Redemption Notice nor any defect in any such Redemption Notice so given will affect the sufficiency of the proceedings for the redemption of the affected Bonds. Each transfer of funds made by the Paying

Agent for the purpose of redeeming Bonds will bear or include the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such transfer.

Payment of Redeemed Bonds. When notice of redemption has been given substantially as described above, and, when the amount necessary for the redemption of the Bonds called for redemption (principal, interest, and premium, if any) is irrevocably set aside in trust for that purpose, as described in "—Defeasance" herein, the Bonds designated for redemption in such notice will become due and payable on the date fixed for redemption thereof and upon presentation and surrender of said Bonds at the place specified in the notice of redemption, said Bonds will be redeemed and paid at the redemption price out of such funds. All unpaid interest payable at or prior to the redemption date will continue to be payable to the respective Owners, but without interest accruing thereon.

Partial Redemption of Bonds. Upon the surrender of any Bond redeemed in part only, the Paying Agent will execute and deliver to the Owner thereof a new Bond or Bonds of like tenor and maturity and of authorized denominations equal in principal amounts to the unredeemed portion of the Bond surrendered. Such partial redemption is valid upon payment of the amount required to be paid to such Owner, and the District will be released and discharged thereupon from all liability to the extent of such payment.

Effect of Notice of Redemption. If notice of redemption is given as described above, and the moneys for the redemption (including the interest accrued to the applicable date of redemption) has been set aside as described in "– Defeasance" herein, the Bonds to be redeemed will become due and payable on such date of redemption.

If on such redemption date, money for the optional redemption of the Bonds to be redeemed, together with interest accrued to such redemption date, shall be paid by an independent escrow agent selected by the District so as to be available therefor on such redemption date and if Redemption Notice thereof shall have been given as described above, then from and after such redemption date, interest on the Bonds to be redeemed shall cease to accrue and become payable. All moneys held by such escrow agent for the redemption of Bonds will be held in trust for the account of the Owners of the Bonds so to be redeemed.

Conditional Notice of Redemption. With respect to any Redemption Notice in connection with the optional redemption of Bonds (or portions thereof) as described above, unless upon the giving of such notice such Bonds or portions thereof shall be deemed to have been defeased as described in "—Defeasance" herein, such Redemption Notice will state that such redemption will be conditional upon the receipt by an independent escrow agent selected by the District, on or prior to the date fixed for such redemption, of the moneys necessary and sufficient to pay the principal, and premium, if any, and interest on, such Bonds (or portions thereof) to be redeemed, and that if such moneys shall not have been so received said Redemption Notice will be of no force and effect, no portion of the Bonds will be subject to redemption on such date and such Bonds will not be required to be redeemed on such date. In the event that such Redemption Notice contains such a condition and such moneys are not so received, the redemption will not be made and the Paying Agent will within a reasonable time thereafter (but in no event later than the date originally set for redemption) give notice to the persons to whom and in the manner in which the Redemption Notice was given that such moneys were not so received. In addition, the District shall have the right to rescind any Redemption Notice, by written notice to the Paying Agent, on or prior to the date fixed for such redemption. The Paying Agent will distribute a notice of such rescission in the same manner as the Redemption Notice was originally provided.

Bonds No Longer Outstanding. When any Bonds (or portions thereof), which have been duly called for redemption prior to maturity, or with respect to which irrevocable instructions to call for redemption prior to maturity at the earliest redemption date have been given to the Paying Agent, in form satisfactory to it, and sufficient moneys shall be held irrevocably in trust for the payment of the redemption price of such Bonds or portions thereof, and, accrued interest thereon to the date fixed for redemption, then such Bonds will no longer be deemed outstanding and shall be surrendered to the Paying Agent for cancellation.

Book-Entry Only System

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but neither the District nor the Underwriter take responsibility for the accuracy or completeness thereof. The District cannot and does not give any assurances that DTC, DTC Direct Participants or Indirect Participants (as defined herein) will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, on the Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered Owner of the Bonds, or that they will so do on a timely basis or that DTC, Direct Participants or Indirect Participants will act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with Participants are on file with DTC.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity for each series of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants," and together with the Direct Participants, the "Participants"). DTC has a Standard & Poor's rating of "AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect

Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, defaults, and proposed amendments to the Resolution. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and distributions on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds or distributions to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

Discontinuation of Book-Entry Only System; Registration, Payment and Transfer of Bonds

So long as any of the Bonds remain outstanding, the District will cause the Paying Agent to maintain at its principal office all books and records necessary for the registration, exchange and transfer of such Bonds, which shall at all times be open to inspection by the District, and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register, exchange or transfer or cause to be registered, exchanged or transferred, on said books, Bonds as provided in the Resolution.

In the event that the book-entry only system as described herein is no longer used with respect to the Bonds, the following provisions will govern the registration, transfer, and exchange of the Bonds.

The principal of and interest on the Bonds upon the redemption thereof will be payable in lawful money of the United States of America upon presentation and surrender of the Bonds at the principal trust office of the Paying Agent. Interest on the Bonds will be paid by the Paying Agent by wire transfer to the person whose name appears on the registration books of the Paying Agent as the registered Owner, and to that person's bank and account number appearing on the registration books as of the close of business on the Record Date.

Any Bond may be exchanged for Bonds of like series, tenor, maturity and Transfer Amount (which with respect to any outstanding Bonds means the principal amount thereof) upon presentation and surrender at the designated trust office of the Paying Agent, together with a request for exchange signed by the registered Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. A Bond may be transferred only on the Bond Register only upon presentation and surrender of the Bond at the designated office of the Paying Agent, together with an assignment executed by the registered Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. Upon exchange or transfer, the Paying Agent will complete, authenticate and deliver a new Bond or Bonds of like tenor and of any authorized denomination or denominations requested by the Owner equal to the Transfer Amount of the Bond surrendered and bearing interest at the same rate and maturing on the same date.

Neither the District nor the Paying Agent will be required to (a) issue or transfer any Bonds during a period beginning with the opening of business on the 16th day next preceding either any Bond Payment Date or any date of selection of Bonds to be redeemed and ending with the close of business on the Bond Payment Date or any day on which the applicable Redemption Notice is given or (b) transfer any Bonds which have been selected or called for redemption in whole or in part.

Defeasance

All or any portion of the outstanding maturities of the Bonds of each series may be defeased at any time prior to maturity in the following ways:

(a) Cash. By irrevocably depositing with an independent escrow agent selected by the District an amount of cash which together with any amounts transferred from the applicable Debt Service Fund, is sufficient to pay all Bonds outstanding and designated for defeasance (including all principal thereof, interest thereon and redemption premium, if any) at or before their maturity date; or

(b) Government Obligations. By irrevocably depositing with an independent escrow agent selected by the District noncallable Government Obligations (as defined below) together with any amounts transferred from the applicable Debt Service Fund and any other cash, if required, in such amount as will, together with interest to accrue thereon, in the opinion of an independent certified public accountant, be fully sufficient to pay and discharge all Bonds outstanding and designated for defeasance (including all principal thereof, interest thereon and redemption premium, if any), at or before their maturity date;

then, notwithstanding that any such maturities of Bonds shall not have been surrendered for payment, all obligations of the District with respect to all such designated outstanding Bonds shall cease and terminate, except only the obligation of the independent escrow agent selected by the District to pay or cause to be paid from funds deposited pursuant to paragraphs (a) or (b) above, to the Owners of such designated Bonds not so surrendered and paid all sums due with respect thereto.

"Government Obligations" means direct and general obligations of the United States of America, or obligations that are unconditionally guaranteed as to principal and interest by the United States of America (which may consist of obligations of the Resolution Funding Corporation that constitute interest strips), and obligations secured or otherwise guaranteed, directly or indirectly, as to principal and interest by a pledge of the full faith and credit of the United States of America. In the case of direct and general obligations of the United States of America, Government Obligations shall include evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances where (a) a bank or trust company acts as custodian and holds the underlying United States obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (c) the underlying United States obligations are held in a special account, segregated from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; provided that such obligations are rated or assessed at least as high as direct and general obligations of the United States of America by either Moody's Investors Service ("Moody's") or S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P").

ESTIMATED SOURCES AND USES OF FUNDS

Series B Bonds. The proceeds of the Series B Bonds are expected to be applied as follows:

Sources of Funds
Principal Amount
Net Original Issue Premium
Total Sources

Uses of Funds
Series B Building Fund
Series B Debt Service Fund
Underwriter's Discount
Costs of Issuance[(1)]
Total Uses

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(1) Reflects all costs of issuance of the Series B Bonds, including but not limited to legal and municipal advisory fees, printing costs, the costs and fees of the Paying Agent, and other costs of issuance of the Series B Bonds.

Series B-1 Bonds. The proceeds of the Series B-1 Bonds are expected to be applied as follows:

Sources of Funds
Principal Amount
Net Original Issue Premium
Total Sources

Uses of Funds
Series B-1 Building Fund
Series B-1 Debt Service Fund
Underwriter's Discount
Costs of Issuance[(1)]
Total Uses

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(1) Reflects all costs of issuance of the Series B-1 Bonds, including but not limited to legal and municipal advisory fees, printing costs, the costs and fees of the Paying Agent, and other costs of issuance of the Series B-1 Bonds.

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TAX BASE FOR REPAYMENT OF BONDS

The information in this section describes ad valorem *property taxation, assessed valuation, and other measures of the tax base of the District. The Bonds are payable solely from* ad valorem *property taxes levied and collected by the County on taxable property in the District. The District's general fund is not a source for the repayment of the Bonds.*

***Ad Valorem* Property Taxation**

District property taxes are assessed and collected by the County at the same time and on the same tax rolls as County, city and special district property taxes. Assessed valuations are the same for both District and County taxing purposes.

Taxes are levied for each fiscal year on taxable real and personal property which is located in the District as of the preceding January 1. For assessment and collection purposes, property is classified either as "secured" or "unsecured" and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing State assessed public utilities property and real property having a tax lien which is sufficient, in the opinion of the assessor, to secure payment of the taxes. Unsecured property is assessed on the "unsecured roll." Unsecured property comprises all property not attached to land, such as personal property or business property. Boats and airplanes are examples of unsecured property. A supplemental roll is developed when property changes ownership or new construction is completed. The County levies and collects all property taxes for property falling within the County's taxing boundaries.

The valuation of secured property is established as of January 1 and is subsequently equalized in August. Property taxes on the secured roll are payable in two installments, due November 1 and February 1. If unpaid, such taxes become delinquent after December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent installment, plus any additional amount determined by the tax-collecting authority of the County. After the second installment of taxes on the secured roll is delinquent, the tax-collecting authority of the County will collect a cost of $10 for preparing the delinquent tax records and giving notice of the delinquency, plus any other service fees deemed reasonably necessary by the County. Property on the secured roll with delinquent taxes is declared tax-defaulted on July 1 of the calendar year. Such property may thereafter be redeemed, until the right of redemption is terminated, by payment of the delinquent taxes and the delinquency penalty, plus a $15 redemption fee, any other service fees deemed reasonably necessary by the County, and a redemption penalty of 1.5% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is subject to sale by the tax-collecting authority of the County.

Property taxes on the unsecured roll as of July 31 become delinquent if they are not paid by August 31 and are thereafter subject to a delinquent penalty of 10%, plus any other service fees deemed reasonably necessary by the County. Taxes added to the unsecured tax roll after July 31, if unpaid, are delinquent and subject to a penalty of 10% on the last day of the month succeeding the month of enrollment. In the case of unsecured property taxes, an additional penalty of 1.5% per month begins to accrue when such taxes remain unpaid on the last day of the second month after the 10% penalty attaches. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the assessee; (2) filing a certificate in the office of the County Clerk specifying certain facts in order to obtain a judgment lien on specific property of the assessee; (3) filing a certificate of delinquency for record in the County Recorder's office in order to obtain a lien on specified property of the assessee; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee. See also "— Tax Levies, Collections and Delinquencies" herein.

State law exempts from taxation $7,000 of the full cash value of an owner-occupied dwelling, but this exemption does not result in any loss of revenue to local agencies, since the State reimburses local agencies for the value of the exemptions.

All property is assessed using full cash value as defined by Article XIIIA of the State Constitution. State law provides exemptions from *ad valorem* property taxation for certain classes of property, such as churches, colleges, non-profit hospitals, and charitable institutions.

Assessed valuation growth allowed under Article XIIIA (new construction, certain changes of ownership, 2% inflation) is allocated on the basis of "situs" among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies and K-14 school districts (as defined herein) share the growth of "base" revenues from the tax rate area. Each year's growth allocation becomes part of each agency's allocation in the following year.

Assessed Valuations

The assessed valuation of property in the District is established by the tax assessing authority for the county in which such property is located, except for public utility property which is assessed by the State Board of Equalization. Assessed valuations are reported at 100% of the "full value" of the property, as defined in Article XIIIA of the California Constitution. For a discussion of how properties currently are assessed and re-assessed, see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS" herein. Certain classes of property, such as churches, colleges, not-for-profit hospitals, and charitable institutions, are exempt from property taxation and do not appear on the tax rolls.

The following table shows the historical assessed valuations in the District as of the date the equalized assessment tax roll is established in August of each year, excluding any exemptions granted after such date in each year.

ASSESSED VALUATIONS
Fiscal Years 2009-10 through 2018-19
Marin Community College District

	Local Secured	Utility	Unsecured	Total	% Change
2009-10	$55,077,677,782	$4,521,749	$1,305,252,905	$56,387,452,436	---
2010-11	54,381,113,409	4,470,081	1,289,156,117	55,674,739,607	(1.26)
2011-12	54,763,040,493	5,010,892	1,286,754,444	56,054,805,829	0.68
2012-13	55,220,386,696	7,936,794	1,293,180,217	56,521,503,707	0.83
2013-14	57,376,093,410	7,936,794	1,295,923,554	58,679,953,758	3.82
2014-15	60,738,647,717	7,936,794	1,348,022,874	62,094,607,385	5.82
2015-16	65,099,348,874	7,766,904	1,354,785,871	66,461,901,649	7.03
2016-17	69,258,667,195	29,388,435	1,405,938,507	70,693,994,137	6.37
2017-18	72,945,181,055	29,388,435	1,445,612,586	74,420,182,076	5.27
2018-19	76,965,780,912	3,743,225	1,472,957,851	78,442,481,988	5.40

Source: California Municipal Statistics, Inc.

Economic and other factors beyond the District's control, such as general market decline in property values, disruption in financial markets that may reduce availability of financing for purchasers of property, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by the State and local agencies and property used for qualified education, hospital, charitable or religious purposes), or the complete or partial destruction of the taxable property caused by a natural or manmade disaster, such as earthquake, flood, fire, drought or toxic contamination, could cause a reduction in the assessed value of taxable property within the District. Any such reduction would result in a corresponding increase in the annual tax rate levied by the County to pay the debt service with respect to the Bonds. See "THE BONDS – Security and Sources of Payment" herein.

Appeals and Adjustments of Assessed Valuations. Under California law, property owners may apply for a reduction of their property tax assessment by filing a written application, in form prescribed by the State Board of Equalization ("SBE"), with the appropriate county board of equalization or assessment appeals board. County assessors may independently reduce assessed values as well based upon the above factors or reductions in the fair market value of the taxable property. In most cases, an appeal is filed because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value. Any reduction in the assessment ultimately granted as a result of such appeal applies to the year for which application is made and during which the written application was filed. Such reductions are subject to yearly reappraisals and may be adjusted back to their original values when market conditions improve. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIIIA. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIIIA of the California Constitution" herein.

A second type of assessment appeal involves a challenge to the base year value of an assessed property. Appeals for reduction in the base year value of an assessment, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. The base year is determined by the completion date of new construction or the date of change of ownership. Any base year appeal must be made within four years of the change of ownership or new construction date.

In addition to the above-described taxpayer appeals, county assessors may independently reduce assessed valuations based on changes in the market value of property, or for other factors such as the complete or partial destruction of taxable property caused by natural or man-made disasters such as earthquakes, floods, fire, drought or toxic contamination pursuant to relevant provisions of the State Constitution. See also "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIIIA of the California Constitution" herein. Such reductions are subject to yearly reappraisals by the county assessor and may be adjusted back to their original values when real estate market conditions improve. Once property has regained its prior assessed value, adjusted for inflation, it once again is subject to the annual inflationary growth rate factor allowed under Article XIIIA.

No assurance can be given that property tax appeals, actions by county assessors, or other factors in the future will not significantly reduce the assessed valuation of property within the District.

Assessed Valuations and Parcels by Land Use. The following table shows the distribution of taxable property, during fiscal year 2018-19, by the principal purpose for which such property is used, and the number of parcels for each such use.

ASSESSED VALUATION AND PARCELS BY LAND USE
Fiscal Year 2018-19
Marin Community College District

Non-Residential:	**2018-19 Assessed Valuation** [1]	**% of Total**	**No. of Parcels**	**% of Total**
Agricultural/Rural	$395,863,015	0.51%	545	0.57%
Commercial	7,451,862,799	9.68	2,929	3.05
Vacant Commercial	109,729,154	0.14	344	0.36
Industrial	965,829,068	1.25	545	0.57
Vacant Industrial	18,121,457	0.02	104	0.11
Government	0	0.00	4,282	4.46
Social/Miscellaneous	125,563,021	0.16	833	0.87
Subtotal Non-Residential	$9,066,968,514	11.78%	9,582	9.97%
Residential:				
Single Family Residence	$55,418,912,694	72.00%	62,166	64.68%
Condominium/Townhouse	6,279,343,590	8.16	13,625	14.18
Mobile Home	13,180,343	0.02	315	0.33
Houseboat	90,480,375	0.12	380	0.40
2+ Residential Units/Apartments	5,500,624,263	7.15	4,909	5.11
Miscellaneous Residential	789,671	0.00	588	0.61
Vacant Residential	595,481,462	0.77	4,547	4.73
Subtotal Residential	$67,898,812,398	88.22%	86,530	90.03%
Total	$76,965,780,912	100.00%	96,112	100.00%

(1) Local secured assessed valuation, excluding tax-exempt property.
Source: California Municipal Statistics, Inc.

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Assessed Valuation of Single Family Homes. The following table shows the single family residential properties within the District, in terms of their 2018-19 assessed valuation.

ASSESSED VALUATION OF SINGLE FAMILY HOMES
Fiscal Year 2018-19
Marin Community College District

	No. of Parcels	2018-19 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	62,166	$55,418,912,694	$891,467	$683,262

2018-18 Assessed Valuation	No. of Parcels [(1)]	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $99,999	2,673	4.300%	4.300%	$207,433,512	0.374%	0.374%
100,000 - 199,999	7,259	11.677	15.977	1,044,718,777	1.885	2.259
200,000 - 299,999	4,438	7.139	23.116	1,105,297,725	1.994	4.254
300,000 - 399,999	4,232	6.808	29.923	1,485,862,012	2.681	6.935
400,000 - 499,999	4,385	7.054	36.977	1,974,773,208	3.563	10.498
500,000 - 599,999	4,408	7.091	44.067	2,424,750,783	4.375	14.874
600,000 - 699,999	4,443	7.147	51.214	2,888,579,408	5.212	20.086
700,000 - 799,999	4,499	7.237	58.452	3,370,781,387	6.082	26.168
800,000 - 899,999	4,279	6.883	65.335	3,631,742,579	6.553	32.722
900,000 - 999,999	3,575	5.751	71.085	3,385,215,674	6.108	38.830
1,000,000 - 1,099,999	2,579	4.149	75.234	2,700,731,104	4.873	43.703
1,100,000 - 1,199,999	2,090	3.362	78.596	2,397,993,597	4.327	48.030
1,200,000 - 1,299,999	1,727	2.778	81.374	2,156,859,401	3.892	51.922
1,300,000 - 1,399,999	1,497	2.408	83.782	2,019,384,636	3.644	55.566
1,400,000 - 1,499,999	1,263	2.032	85.814	1,826,430,410	3.296	58.862
1,500,000 - 1,599,999	1,008	1.621	87.435	1,559,641,940	2.814	61.676
1,600,000 - 1,699,999	918	1.477	88.912	1,514,400,280	2.733	64.409
1,700,000 - 1,799,999	793	1.276	90.188	1,386,441,710	2.502	66.910
1,800,000 - 1,899,999	636	1.023	91.211	1,174,755,351	2.120	69.030
1,900,000 - 1,999,999	535	0.861	92.071	1,041,759,139	1.880	70.910
2,000,000 and greater	4,929	7.929	100.000	16,121,360,061	29.090	100.000
Total	62,166	100.000%		$55,418,912,694	100.000%	

(1) Improved single family residential parcels. Excludes condominiums and parcels with multiple family units.
Source: California Municipal Statistics, Inc.

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Assessed Valuation by Jurisdiction. The following table shows, for fiscal year 2018-19, the distribution of taxable property within the District by jurisdiction.

ASSESSED VALUATION BY JURISDICTION
Fiscal Year 2018-19
Marin Community College District

Jurisdiction:	Assessed Valuation in District	% of District	Assessed Valuation of Jurisdiction	% of Jurisdiction in District
City of Belvedere	$2,316,934,205	2.95%	$2,316,934,205	100.00%
Town of Corte Madera	3,474,361,435	4.43	3,474,361,435	100.00
Town of Fairfax	1,520,759,239	1.94	1,520,759,239	100.00
City of Larkspur	4,205,749,915	5.36	4,205,749,915	100.00
City of Mill Valley	5,893,347,876	7.51	5,893,347,876	100.00
City of Novato	11,228,757,859	14.31	11,228,757,859	100.00
City of Ross	2,048,676,359	2.61	2,048,676,359	100.00
Town of San Anselmo	3,365,606,575	4.29	3,365,606,575	100.00
City of San Rafael	13,549,803,750	17.27	13,549,803,750	100.00
City of Sausalito	3,727,716,436	4.75	3,727,716,436	100.00
Town of Tiburon	5,596,790,558	7.13	5,596,790,558	100.00
Unincorporated Marin County	21,513,977,781	27.43	21,625,982,715	99.48
Total District	$78,442,481,988	100.00%		
Marin County	$78,442,481,988	100.00%	$78,554,486,922	99.86%

(1) Before deduction of redevelopment incremental valuation.
Source: California Municipal Statistics, Inc.

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Alternative Method of Tax Apportionment - Teeter Plan

The Board of Supervisors of the County has approved the implementation of the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan"), as provided for in Section 4701 *et seq*. of the California Revenue and Taxation Code. The Teeter Plan guarantees distribution of 100% of the general taxes levied to the taxing entities within the County, with the County retaining all penalties and interest penalties affixed upon delinquent properties and redemptions of subsequent collections. Under the Teeter Plan, the County apportions secured property taxes on a cash basis to local political subdivisions, including the District, for which the County acts as the tax-levying or tax-collecting agency. At the conclusion of each fiscal year, the County distributes 100% of any taxes delinquent as of June 30th to the respective taxing entities. The Teeter Plan is applicable to all tax levies for which the County acts as the tax-levying or tax-collecting agency, or for which the County treasury is the legal depository of the tax collections.

The secured *ad valorem* property tax to be levied to pay the interest on and principal of the Bonds will be subject to the Teeter Plan, beginning in the first year of such levy. The District will receive 100% of the secured *ad valorem* property tax levied to pay the Bonds irrespective of actual delinquencies in the collection of the tax by the County.

The Teeter Plan is to remain in effect unless the Board of Supervisors of the County orders its discontinuance or unless, prior to the commencement of any fiscal year of the County (which commences on July 1), the Board of Supervisors receives a petition for its discontinuance joined in by resolutions adopted by at least two-thirds of the participating revenue districts in the County, in which event the Board of Supervisors is to order discontinuance of the Teeter Plan effective at the commencement of the subsequent fiscal year. The Board of Supervisors of the County may, by resolution adopted not later than July 15 of the fiscal year for which it is to apply after holding a public hearing on the matter, discontinue the procedures under the Teeter Plan with respect to any tax levying agency or assessment levying agency in the County if the rate of secure tax delinquency in that agency exceeds 3% of the total of all taxes and assessments levied on the secured rolls for that agency. If the Teeter Plan is discontinued subsequent to its implementation, only those secured property taxes actually collected would be allocated to political subdivisions (including the District) for which the County acts as the tax-levying or tax-collecting agency, but penalties and interest would be credited to the political subdivisions.

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Tax Levies, Collections and Delinquencies

The following table shows secured tax levies within the District for its general obligation bonded debt, and amounts delinquent as of June 30, for the fiscal years shown below.

SECURED TAX LEVIES AND DELINQUENCIES
Fiscal Years 2008-09 through 2017-18
Marin Community College District

	Secured Tax Levies[1]	Amount Delinquent as of June 30	Percentage Delinquent as of June 30
2008-09	$2,255,272.30	$69,918.00	3.10%
2009-10	10,418,041.71	263,330.39	2.53
2010-11	7,299,538.86	141,297.99	1.94
2011-12	9,462,872.99	144,184.58	1.52
2012-13	9,743,546.76	113,637.44	1.17
2013-14	11,629,673.24	120,676.81	1.04
2014-15	10,881,776.56	93,344.04	0.86
2015-16	10,684,426.15	76,235.11	0.71
2016-17	9,832,845.82	78,688.92	0.80
2017-18	24,551,074.58	153,458.75	0.63

(1) Reflects secured tax charges and levies for general obligation bond debt service.
Source: California Municipal Statistics, Inc.

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Tax Rates

Three representative tax rate areas ("TRAs") located within the District are TRA 5-000, TRA 8-000 and TRA 10-017. The table below demonstrates the total *ad valorem* property tax rates levied by all taxing entities in these TRAs, as a percentage of assessed valuation, during the five-year period from 2014-15 through 2018-19.

TYPICAL TAX RATES
Fiscal Years 2014-15 through 2018-19
Marin Community College District

	2014-15	2015-16	2016-17	2017-18	2018-19
TRA 5-000 (2018-19 Assessed Valuation: $5,796,351,963)					
General	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%
Tamalpais Union High School District	.0352	.0313	.0288	.0269	.0258
Marin Community College District	.0180	.0165	.0142	.0338	.0339
Mill Valley School District	.0555	.0523	.0514	.0511	.0466
Marin Healthcare District	--	.0235	.0093	.0201	.0190
Total	1.1087%	1.1236%	1.1037%	1.1319%	1.1253%
TRA 8-000 (2018-19 Assessed Valuation: $6,018,227,484)					
General	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%
San Rafael High School District	.0273	.0266	.0502	.0568	.0617
San Rafael Elementary School District	.0474	.0462	.0743	.0503	.0729
Marin Community College District	.0180	.0165	.0142	.0338	.0339
Marin Healthcare District	--	.0235	.0093	.0201	.0190
Total	1.0927%	1.1128%	1.1480%	1.1610%	1.1875%
TRA 10-017 (2018-19 -Assessed Valuation: $5,797,248,248)					
General	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%
Novato Unified School District	.0617	.0568	.0596	.1084	.1072
City of Novato	.0183	.0173	.0168	.0162	.0142
Marin Community College District	.0180	.0165	.0142	.0338	.0339
Total	1.0980%	1.0906%	1.0906%	1.1584%	1.1553%

(1) Tax Rate Areas 5-000, 8-000, and 10-017 are the three largest within the District (in terms of assessed valuation) for fiscal year 2018-19. Together they account for 22.45% of the total assessed valuation of the District in 2018-19.
Source: California Municipal Statistics, Inc.

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Largest Property Owners

The following table lists the 20 largest local secured taxpayers in the District in terms of their fiscal year 2018-19 secured assessed valuations.

LARGEST LOCAL SECURED TAXPAYERS
Fiscal Year 2018-19
Marin Community College District

	Property Owner	Primary Land Use	2018-19 Assessed Valuation	% of Total[1]
1.	Biomarin Pharmaceutical Inc.	Industrial	$302,077,655	0.39%
2.	California Corporate Center Acquisition	Commercial	273,522,259	0.36
3.	Skywalker Properties Ltd.	Commercial/Rural	241,634,100	0.31
4.	MGP XI Northgate LLC	Commercial	214,960,194	0.28
5.	Professional Financial Investors	Commercial	211,494,006	0.27
6.	RP Maximus Cove Owner LLC	Apartments	159,568,665	0.21
7.	Corte Madera Village LLC	Commercial	143,285,998	0.19
8.	Novato FF Property LLC	Commercial	128,000,000	0.17
9.	RPR Larkspur Owner LLC	Apartments	113,812,011	0.14
10.	770 Tamalpais Dr. Inc.	Commercial	104,403,153	0.14
11.	195-205 Tamal Vista Boulevard LLC	Apartments	95,151,500	0.12
12.	North Coast Land Holdings LLC	Apartments	90,394,099	0.12
13.	HL Novato LLC	Commercial	88,694,100	0.12
14.	JPPF Larkspur Landing Office Park LP	Commercial	85,312,800	0.11
15.	Strawberry Village Retail	Commercial	78,493,793	0.10
16.	Steven J. Scarpa	Apartments	77,224,501	0.10
17.	Teachers Insurance & Annuity Association	Residential Properties	76,593,035	0.10
18.	Marin Country Mart LLC	Commercial	73,841,533	0.10
19.	Aimco Madera Vista LLC	Commercial	67,416,714	0.09
20.	JCC Cal Properties LLC	Commercial	66,700,329	0.09
			$2,692,580,445	3.50%

[1] 2018-19 local secured assessed valuation: $76,965,780,912.
Source: California Municipal Statistics, Inc.

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Statement of Direct and Overlapping Debt

Set forth on the following page is a direct and overlapping debt report (the "Debt Report"), prepared by California Municipal Statistics, Inc, effective as of November 1, 2018, for debt issued as of October 15, 2018. The Debt Report is included for general information purposes only. The District has not reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

The Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District in whole or in part. Such long-term obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District. In many cases, long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

The table shows the percentage of each overlapping entity's assessed value located within the boundaries of the District. The table also shows the corresponding portion of the overlapping entity's existing debt payable from property taxes levied within the District. The total amount of debt for each overlapping entity is not given in the table.

The first column in the table names each public agency which has outstanding debt as of the date of the report and whose territory overlaps the District in whole or in part. The second column shows the percentage of each overlapping agency's assessed value located within the boundaries of the District. This percentage, multiplied by the total outstanding debt of each overlapping agency (which is not shown in the table) produces the amount shown in the third column, which is the apportionment of each overlapping agency's outstanding debt to taxable property in the District.

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STATEMENT OF DIRECT AND OVERLAPPING BONDED DEBT
Marin Community College District

2018-19 Assessed Valuation: $78,442,481,988

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	**% Applicable**	**Debt 11/1/18**
Marin Community College District	**100.000%**	**$294,600,000**[1]
Novato Unified School District	100.000	107,505,000
Shoreline Joint Unified School District	54.802	5,841,893
San Rafael High School District	100.000	116,868,938
Tamalpais Union High School District	100.000	104,540,000
Larkspur-Corte Madera School District	100.000	53,945,796
Mill Valley School District	100.000	62,471,009
Kentfield School District	100.000	38,560,000
Ross Valley School District	100.000	42,363,340
San Rafael School District	100.000	95,185,126
Other School Districts	100.000	96,265,251
Town of Fairfax	100.000	6,187,400
City of Novato	100.000	7,357,123
City of San Anselmo	100.000	4,360,000
City of Sausalito	100.000	11,443,894
Marin Healthcare District	99.844	372,108,604
Marin Emergency Radio Authority Parcel Tax Bonds	99.857	32,952,810
Strawberry Recreation and Park District Zone No. 4	100.000	175,000
Community Facilities Districts	100.000	58,958,745
1915 Act Bonds	100.000	20,204,250
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$1,531,894,179
DIRECT AND OVERLAPPING GENERAL FUND DEBT:		
Marin County General Fund Obligations	99.857%	$85,140,546
Marin County Pension Obligation Bonds	99.857	84,648,779
Marin County Transit District General Fund Obligations	99.857	69,403
Marin Community College District General Fund Obligations	**100.000**	**9,690,834**[2]
San Rafael School District General Fund Obligations	100.000	3,275,000
Sausalito-Marin City School District Certificates of Participation	100.000	3,200,000
City of Larkspur General Fund Obligations	100.000	27,421,733
City of Novato Certificates of Participation and Pension Obligation Bonds	100.000	16,325,393
City of San Rafael General Fund and Pension Obligation Bonds	100.000	55,420,999
Other Cities and Towns General Fund and Pension Obligation Bonds	100.000	29,617,546
Fire Protection District Certificates of Participation	99.921 - 100.000	4,341,154
Other Special District General Fund Obligations	100.000	363,413
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT		$319,514,800
Less: City of San Rafael obligations supported by enterprise revenues		(5,175,000)
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT		$314,339,800
OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):	100.000%	$53,456,504
GROSS COMBINED TOTAL DEBT		$1,904,865,483[3]
NET COMBINED TOTAL DEBT		$1,899,690,483

Ratios to 2018-19 Assessed Valuation:

Direct Debt ($294,600,000)... 0.38%
Total Direct and Overlapping Tax and Assessment Debt 1.95%
Combined Direct Debt ($304,290,834) 0.39%
Gross Combined Total Debt.. 2.43%
Net Combined Total Debt 2.42%

Ratios to Redevelopment Incremental Valuation ($4,949,754,410):

Total Overlapping Tax Increment Debt... 1.08%

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(1) Excludes the Bonds described herein.
(2) Excludes the 2019 Certificates described herein.
(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations. Qualified Zone Academy Bonds are included based on principal due at maturity.

Source: California Municipal Statistics, Inc.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

The principal of and interest on the Bonds are payable from the proceeds of an ad valorem property tax *levied by the County for the payment thereof. See "THE BONDS – Security and Sources of Payment" herein. Articles XIIIA, XIIIB, XIIIC and XIIID of the State Constitution, Propositions 98 and 111, and certain other provisions of law discussed below, are included in this section to describe the potential effect of these Constitutional and statutory measures on the ability of the County to levy taxes on behalf of the District and the District to spend tax proceeds for operating and other purposes, and it should not be inferred from the inclusion of such materials that these laws impose any limitation on the ability of the County to levy taxes on behalf of the District for payment of the Bonds.*

Article XIIIA of the California Constitution

Article XIIIA ("Article XIIIA") of the State Constitution limits the amount of *ad valorem* property taxes on real property to 1% of "full cash value" as determined by the county assessor. Article XIIIA defines "full cash value" to mean "the county assessor's valuation of real property as shown on the 1975-76 bill under 'full cash value,' or thereafter, the appraised value of real property when purchased, newly constructed or a change in ownership has occurred after the 1975 assessment," subject to exemptions in certain circumstances of property transfer or reconstruction. Determined in this manner, the full cash value is also referred to as the "base year value." The full cash value is subject to annual adjustment to reflect increases, not to exceed 2% for any year, or decreases in the consumer price index or comparable local data, or to reflect reductions in property value caused by damage, destruction or other factors.

Article XIIIA has been amended to allow for temporary reductions of assessed value in instances where the fair market value of real property falls below the adjusted base year value described above. Proposition 8—approved by the voters in November of 1978—provides for the enrollment of the lesser of the base year value or the market value of real property, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property, or other factors causing a similar decline. In these instances, the market value is required to be reviewed annually until the market value exceeds the base year value, adjusted for inflation. Reductions in assessed value could result in a corresponding increase in the annual tax rate levied by the County to pay debt service on the Bonds. See "THE BONDS – Security and Sources of Payment" and "TAX BASE FOR REPAYMENT OF BONDS – Assessed Valuations" herein.

Article XIIIA requires a vote of two-thirds or more of the qualified electorate of a city, county, special district or other public agency to impose special taxes, while totally precluding the imposition of any additional *ad valorem* property, sales or transaction tax on real property. Article XIIIA exempts from the 1% tax limitation any taxes above that level required to pay debt service (a) on any indebtedness approved by the voters prior to July 1, 1978, or (b) as the result of an amendment approved by State voters on June 3, 1986, on any bonded indebtedness approved by two-thirds or more of the votes cast by the voters for the acquisition or improvement of real property on or after July 1, 1978, or (c) on bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% or more of the votes cast on the proposition, but only if certain accountability measures are included in the proposition. In addition, Article XIIIA requires the approval of two-thirds or more of all members of the State Legislature (the "State Legislature") to change any State taxes for the purpose of increasing tax revenues.

Legislation Implementing Article XIIIA

Legislation has been enacted and amended a number of times since 1978 to implement Article XIIIA. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by the relevant county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1979.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the annual adjustment not to exceed 2% are allocated among the various jurisdictions in the "taxing area" based upon their respective "situs." Any such allocation made to a local agency continues as part of its allocation in future years.

All taxable property value included in this Official Statement is shown at 100% of taxable value (unless noted differently) and all tax rates reflect the $1 per $100 of taxable value.

Both the United States Supreme Court and the California State Supreme Court have upheld the general validity of Article XIIIA.

Proposition 50 and Proposition 171

On June 3, 1986, the voters of the State approved Proposition 50. Proposition 50 amends Section 2 of Article XIIIA of the State Constitution to allow owners of property that was "substantially damaged or destroyed" by a disaster, as declared by the Governor, (the "Damaged Property"), to transfer their existing base year value (the "Original Base Year Value") to a comparable replacement property <u>within the same county</u>, which is acquired or constructed within five years after the disaster. At the time of such transfer, the Damaged Property will be reassessed at its full cash value immediately prior to damage or destruction (the "Original Cash Value"); however, such property will retain its base year value notwithstanding such a transfer. Property is substantially damaged or destroyed if either the land or the improvements sustain physical damage amounting to more than 50 percent of either the land or improvements full cash value immediately prior to the disaster. There is no filing deadline, but the assessor can only correct four years of assessments when the owner fails to file a claim within four years of acquiring a replacement property.

Under Proposition 50, the base year value of the replacement property (the "Replacement Base Year Value") depends on the relation of the full cash value of the replacement property (the "Replacement Cash Value") to the Original Cash Value: if the Replacement Cash Value <u>exceeds 120 percent</u> of the Original Cash Value, then the Replacement Base Year Value is calculate by combining the Original Base Year Value with such excessive Replacement Cash Value; if the Replacement Cash Value does <u>not exceed 120 percent</u> of the Original Cash Value, then the Replacement Base Year Value equals the Original Base Year Value; if the Replacement Cash Value <u>is less than</u> the Original Cash Value, then the Replacement Base Year Value equals the Replacement Cash Value. The replacement property must be comparable in size, utility, and function to the Damaged Property.

On November 2, 1993, the voters of the State approved Proposition 171. Proposition 171 amends subdivision (e) of Section 2 of Article XIIIA of the State Constitution to allow owners of Damaged Property to transfer their Original Base Year Value to a "comparable replacement property" located <u>within another county</u> in the State, which is acquired or newly constructed within three years after the disaster.

Intra-county transfers under Proposition 171 are more restrictive than inter-county transfers under Proposition 50. For example, Proposition 171 (1) only applies to (a) structures that are owned and occupied by property owners as their principal place of residence and (b) land of a "reasonable size that is used as a site for a residence;" (2) explicitly does not apply to property owned by firms, partnerships, associations, corporations, companies, or legal entities of any kind; (3) only applies to replacement property located in a county that adopted an ordinance allowing Proposition 171 transfers; (4) claims must be timely filed within three years of the date of purchase or completion of new construction; and (5) only applies to comparable replacement property, which has a full cash value that is of "equal or lesser value" than the Original Cash Value.

Within the context of Proposition 171, "equal or lesser value" means that the amount of the Replacement Cash Value does not exceed either (1) 105 percent of the Original Cash Value when the replacement property is acquired or constructed within one year of the destruction, (2) 110 percent of the Original Cash Value when the replacement property is acquired or constructed within two years of the destruction, or (3) 115 percent of the Original Cash Value when the replacement property is acquired or constructed within three years of the destruction.

Unitary Property

Some amount of property tax revenue of the District is derived from utility property which is considered part of a utility system with components located in many taxing jurisdictions ("unitary property"). Under the State Constitution, such property is assessed by the State Board of Equalization ("SBE") as part of a "going concern" rather than as individual pieces of real or personal property. Such State-assessed unitary and certain other property is allocated to the counties by the SBE, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions (including the District) according to statutory formulae generally based on the distribution of taxes in the prior year.

So long as the District is a Community Supported (Basic Aid) district, taxes lost through any reduction in assessed valuation will not be compensated by the State as equalization aid under the State's school financing formula. See "FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA – Major Revenues" and "MARIN COMMUNITY COLLEGE DISTRICT" herein.

Article XIIIB of the California Constitution

Article XIIIB ("Article XIIIB") of the State Constitution, as subsequently amended by Propositions 98 and 111, respectively, limits the annual appropriations of the State and of any city, county, school district, community college district, authority or other political subdivision of the State to the level of appropriations of the particular governmental entity for the prior fiscal year, as adjusted for changes in the cost of living and in population and for transfers in the financial responsibility for providing services and for certain declared emergencies. As amended, Article XIIIB defines

(a) "change in the cost of living" with respect to K-14 school districts to mean the percentage change in California per capita income from the preceding year, and

(b) "change in population" with respect to a K-14 school district means the percentage change in the average daily attendance of such K-14 school district from the preceding fiscal year.

For fiscal years beginning on or after July 1, 1990, the appropriations limit of each entity of government shall be the appropriations limit for the 1986-87 fiscal year adjusted for the changes made from that fiscal year pursuant to the provisions of Article XIIIB, as amended.

The appropriations of an entity of local government subject to Article XIIIB limitations include the proceeds of taxes levied by or for that entity and the proceeds of certain State subventions to that entity. "Proceeds of taxes" include, but are not limited to, all tax revenues and the proceeds to the entity from (a) regulatory licenses, user charges and user fees (but only to the extent that these proceeds exceed the reasonable costs in providing the regulation, product or service), and (b) the investment of tax revenues.

Appropriations subject to limitation do not include (a) refunds of taxes, (b) appropriations for debt service such as the Bonds, (c) appropriations required to comply with certain mandates of the courts or the federal government, (d) appropriations of certain special districts, (e) appropriations for all qualified capital outlay projects as defined by the State Legislature, (f) appropriations derived from certain fuel and vehicle taxes and (g) appropriations derived from certain taxes on tobacco products.

Article XIIIB includes a requirement that all revenues received by an entity of government other than the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be returned by a revision of tax rates or fee schedules within the next two subsequent fiscal years.

Article XIIIB also includes a requirement that 50% of all revenues received by the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be transferred and allocated to the State School Fund pursuant to Section 8.5 of Article XVI of the State Constitution. See "– Propositions 98 and 111" below.

Article XIIIC and Article XIIID of the California Constitution

On November 5, 1996, the voters of the State of California approved Proposition 218, popularly known as the "Right to Vote on Taxes Act." Proposition 218 added to the California Constitution Articles XIIIC and XIIID (respectively, "Article XIIIC" and "Article XIIID"), which contain a number of provisions affecting the ability of local agencies, including school districts and community college districts, to levy and collect both existing and future taxes, assessments, fees and charges.

According to the "Title and Summary" of Proposition 218 prepared by the California Attorney General, Proposition 218 limits "the authority of local governments to impose taxes and property-related assessments, fees and charges." Among other things, Article XIIIC establishes that every tax is either a "general tax" (imposed for general governmental purposes) or a "special tax" (imposed for specific purposes), prohibits special purpose government agencies such as school districts and community college districts from levying general taxes, and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds vote; and also provides that the initiative power will not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. Article XIIIC further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIIIA of the California Constitution and special taxes approved by a two-thirds vote under Article XIIIA, Section 4. Article XIIID deals with assessments and property-related fees and charges, and explicitly provides that nothing in Article XIIIC or XIIID will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

The District does not impose any taxes, assessments, or property-related fees or charges which are subject to the provisions of Proposition 218. It does, however, receive a portion of the basic 1% *ad valorem* property tax levied and collected by the County pursuant to Article XIIIA of the California Constitution. The provisions of Proposition 218 may have an indirect effect on the District, such as by limiting or reducing the revenues otherwise available to other local governments whose boundaries encompass property located within the District thereby causing such local governments to reduce service levels and possibly adversely affecting the value of property within the District.

Proposition 26

On November 2, 2010, voters in the State approved Proposition 26. Proposition 26 amends Article XIIIC of the State Constitution to expand the definition of "tax" to include "any levy, charge, or exaction of any kind imposed by a local government" except the following: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article XIIID. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity.

Propositions 98 and 111

On November 8, 1988, voters approved Proposition 98, a combined initiative constitutional amendment and statute called the "Classroom Instructional Improvement and Accountability Act" (the "Accountability Act"). Certain provisions of the Accountability Act have, however, been modified by Proposition 111, discussed below, the provisions of which became effective on July 1, 1990. The Accountability Act changes State funding of public education below the university level and the operation of the State's appropriations limit. The Accountability Act guarantees State funding for K-14 school districts at a level equal to the greater of (a) the same percentage of the State General Fund revenues as the percentage appropriated to such districts in the 1986-87 fiscal year, and (b) the amount actually appropriated to such districts from the General Fund in the previous fiscal year, adjusted for increases in enrollment and changes in the cost of living. The Accountability Act permits the State Legislature to suspend this formula for a one-year period.

The Accountability Act also changes how tax revenues in excess of the State appropriations limit are distributed. Any excess State tax revenues up to a specified amount would, instead of being returned to taxpayers, be transferred to K-14 school districts. Any such transfer to K-14 school districts would be excluded from the appropriations limit for K-14 school districts and the K-14 school district appropriations limit for the next year would automatically be increased by the amount of such transfer. These additional moneys would enter the base funding calculation for K-14 school districts for subsequent years, creating further pressure on other portions of the State budget, particularly if revenues decline in a year following an Article XIIIB surplus. The maximum amount of excess tax revenues which could be transferred to K-14 school districts is 4% of the minimum State spending for education mandated by the Accountability Act.

Since the Accountability Act is unclear in some details, there can be no assurances that the State Legislature or a court might not interpret the Accountability Act to require a different percentage of General Fund revenues to be allocated to K-14 school districts, or to apply the relevant percentage to the State's budgets in a different way than is proposed in the Governor's budget.

On June 5, 1990, the voters of the State approved Proposition 111 (Senate Constitutional Amendment No. 1) called the "Traffic Congestion Relief and Spending Limitation Act of 1990" ("Proposition 111") which further modified Article XIIIB and Sections 8 and 8.5 of Article XVI of the State Constitution with respect to appropriations limitations and school funding priority and allocation.

The most significant provisions of Proposition 111 are summarized as follows:

a. Annual Adjustments to Spending Limit. The annual adjustments to the Article XIIIB spending limit were liberalized to be more closely linked to the rate of economic growth. Instead of being tied to the Consumer Price Index, the "change in the cost of living" is now measured by the change in California per capita personal income. The definition of "change in population" specifies that a portion of the State's spending limit is to be adjusted to reflect changes in school attendance.

b. Treatment of Excess Tax Revenues. "Excess" tax revenues with respect to Article XIIIB are now determined based on a two-year cycle, so that the State can avoid having to return to taxpayers excess tax revenues in one year if its appropriations in the next fiscal year are under its limit. In addition, the Proposition 98 provision regarding excess tax revenues was modified. After any two-year period, if there are excess State tax revenues, 50% of the excess are to be transferred to K-14 school districts with the balance returned to taxpayers; under prior law, 100% of excess State tax revenues went to K-14 school districts, but only up to a maximum of 4% of such district's minimum funding level. Also, reversing prior law, any excess State tax revenues transferred to K-14 school districts are not built into such districts' base expenditures for calculating their entitlement for State aid in the next year, and the State's appropriations limit is not to be increased by this amount.

c. Exclusions from Spending Limit. Two exceptions were added to the calculation of appropriations which are subject to the Article XIIIB spending limit. First, there are excluded all appropriations for "qualified capital outlay projects" as defined by the State Legislature. Second, there are excluded any increases in gasoline taxes above the 1990 level (then nine cents per gallon), sales and use taxes on such increment in gasoline taxes, and increases in receipts from vehicle weight fees above the levels in effect on January 1, 1990. These latter provisions were necessary to make effective the transportation funding package approved by the State Legislature and the Governor, which expected to raise over $15 billion in additional taxes from 1990 through 2000 to fund transportation programs.

d. Recalculation of Appropriations Limit. The Article XIIIB appropriations limit for each unit of government, including the State, is to be recalculated beginning in fiscal year 1990-91. It is based on the actual limit for fiscal year 1986-87, adjusted forward to 1990-91 as if Proposition 111 had been in effect.

e. School Funding Guarantee. There is a complex adjustment in the formula enacted in Proposition 98 which guarantees K-14 school districts a certain amount of State general fund revenues. Under prior law, K-14 school districts were guaranteed the greater of

(1) 40.9% of State general fund revenues ("Test 1") or (2) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIIIB by reference to per capita personal income) and enrollment ("Test 2"). Under Proposition 111, K-14 school districts will receive the greater of (1) Test 1, (2) Test 2, or (3) a third test ("Test 3"), which will replace Test 2 in any year when growth in per capita State general fund revenues from the prior year is less than the annual growth in California per capita personal income. Under Test 3, K-14 school districts will receive the amount appropriated in the prior year adjusted for change in enrollment and per capita State general fund revenues, plus an additional small adjustment factor. If Test 3 is used in any year, the difference between Test 3 and Test 2 will become a "credit" (also referred to as a "maintenance factor") to K-14 school districts which will be paid in future years when State general fund revenue growth exceeds personal income growth.

Proposition 39

On November 7, 2000, California voters approved an amendment (commonly known as Proposition 39) to the California Constitution. This amendment (1) allows school facilities bond measures to be approved by 55% (rather than two-thirds) of the voters in local elections and permits property taxes to exceed the current 1% limit in order to repay the bonds and (2) changes existing statutory law regarding charter school facilities. As adopted, the constitutional amendments may be changed only with another Statewide vote of the people. The statutory provisions could be changed by a majority vote of both houses of the State Legislature and approval by the Governor, but only to further the purposes of the proposition. The local school jurisdictions affected by this proposition are K-12 school districts, community college districts, and county offices of education. As noted above, the California Constitution previously limited property taxes to 1% of the value of property. Property taxes could only exceed this limit to pay for (1) any local government debts approved by the voters prior to July 1, 1978 or (2) bonds to acquire or improve real property that receive two-thirds voter approval after July 1, 1978.

The 55% vote requirement authorized by Proposition 39 applies only if the local bond measure presented to the voters includes: (1) a requirement that the bond funds can be used only for construction, rehabilitation, equipping of school facilities, or the acquisition or lease of real property for school facilities; (2) a specific list of school projects to be funded and certification that the governing board has evaluated safety, class size reduction, and information technology needs in developing the list; and (3) a requirement that the governing board conduct annual, independent financial and performance audits until all bond funds have been spent to ensure that the bond funds have been used only for the projects listed in the measure. Legislation approved in June 2000 places certain limitations on local school bonds to be approved by 55% of the voters. These provisions require that the tax rate levied as the result of any single election be no more than $60 (for a unified school district), $30 (for an elementary or high school district), or $25 (for a community college district), per $100,000 of taxable property value, when assessed valuation is projected to increase in accordance with Article XIIIA of the Constitution. These requirements are not part of this proposition and can be changed with a majority vote of both houses of the State Legislature and approval by the Governor.

Jarvis v. Connell

On May 29, 2002, the California Court of Appeal for the Second District decided the case of *Howard Jarvis Taxpayers Association, et al. v. Kathleen Connell* (as Controller of the State of California). The Court of Appeal held that either a final budget bill, an emergency appropriation, a self-executing authorization pursuant to state statutes (such as continuing appropriations) or the California Constitution or a federal mandate is necessary for the State Controller to disburse funds. The foregoing requirement could apply to amounts budgeted by the District as being received from the State. To the extent the holding in such case would apply to State payments reflected in the District's budget, the requirement that there be either a final budget bill or an emergency appropriation may result in the delay of such payments to the District if such required legislative action is delayed, unless the payments are self-executing authorizations or are subject to a federal mandate. On May 1, 2003, the California Supreme Court upheld the holding of the Court of Appeal, stating that the Controller is not authorized under State law to disburse funds prior to the enactment of a budget or other proper appropriation, but under federal law, the Controller is required, notwithstanding a budget impasse and the limitations imposed by State law, to timely pay those State employees who are subject to the minimum wage and overtime compensation provisions of the federal Fair Labor Standards Act.

Proposition 1A and Proposition 22

On November 2, 2004, California voters approved Proposition 1A, which amends the State constitution to significantly reduce the State's authority over major local government revenue sources. Under Proposition 1A, the State cannot (i) reduce local sales tax rates or alter the method of allocating the revenue generated by such taxes, (ii) shift property taxes from local governments to K-14 school districts, (iii) change how property tax revenues are shared among local governments without two-third approval of both houses of the State Legislature or (iv) decrease Vehicle License Fee revenues without providing local governments with equal replacement funding. Proposition 1A allows the State to approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Proposition 1A also amends the State Constitution to require the State to suspend certain State laws creating mandates in any year that the State does not fully reimburse local governments for their costs to comply with the mandates. This provision does not apply to mandates relating to schools or community colleges or to those mandates relating to employee rights.

Proposition 22, The Local Taxpayer, Public Safety, and Transportation Protection Act, approved by the voters of the State on November 2, 2010, prohibits the State from enacting new laws that require redevelopment agencies to shift funds to K-14 school districts or other agencies and eliminates the State's authority to shift property taxes temporarily during a severe financial hardship of the State. In addition, Proposition 22 restricts the State's authority to use State fuel tax revenues to pay debt service on state transportation bonds, to borrow or change the distribution of state fuel tax revenues, and to use vehicle license fee revenues to reimburse local governments for state mandated costs. Proposition 22 impacts resources in the State's general fund and transportation funds, the State's main funding source for school districts and community college districts, as well as universities, prisons and health and social services programs. According to an analysis of Proposition 22 submitted by the Legislative Analyst's Office (the "LAO") on July 15, 2010, the expected reduction in resources available for the State to spend on these other programs as a consequence of the passage of Proposition 22 was projected to be approximately $1 billion in fiscal year 2010-11, with an estimated immediate fiscal effect equal to approximately 1% of the State's total general fund spending. The longer-term effect of Proposition 22, according to the LAO analysis, was expected to be an increase in the State's general fund costs by approximately $1 billion annually for several decades. See also "FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA – State Dissolution of Redevelopment Agencies" herein.

Propositions 55

The California Children's Education and Health Care Protection Act of 2016 (also known as "Proposition 55") is a constitutional amendment approved by the voters of the State on November 8, 2016. Proposition 55 extends, through 2030, the increases to personal income tax rates for high-income taxpayers that were approved as part of Temporary Taxes to Fund Education, Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment (also known as "Proposition 30"). Proposition 30 increased the marginal personal income tax rate by: (i) 1% for taxable income over $250,000 but less than

$300,001 for single filers (over $500,000 but less than $600,001 for joint filers and over $340,000 but less than $408,001 for head-of-household filers), (ii) 2% for taxable income over $300,000 but less than $500,001 for single filers (over $600,000 but less than $1,000,001 for joint filers and over $408,000 but less than $680,001 for head-of-household filers), and (iii) 3% for taxable income over $500,000 for single filers (over $1,000,000 for joint filers and over $680,000 for head-of-household filers).

The revenues generated from the personal income tax increases will be included in the calculation of the Proposition 98 Minimum Funding Guarantee (defined herein) for school districts and community college districts. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Propositions 98" and 111" herein. From an accounting perspective, the revenues generated from the personal income tax increases are being deposited into the State account created pursuant to Proposition 30 called the Education Protection Account (the "EPA"). Pursuant to Proposition 30, funds in the EPA will be allocated quarterly, with 89% of such funds provided to schools districts and 11% provided to community college districts. The funds will be distributed to school districts and community college districts in the same manner as existing unrestricted per-student funding, except that no school district will receive less than $200 per unit of ADA and no community college district will receive less than $100 per full time equivalent student. The governing board of each school district and community college district is granted sole authority to determine how the moneys received from the EPA are spent, provided that the appropriate governing board is required to make these spending determinations in open session at a public meeting and such local governing board is prohibited from using any funds from the EPA for salaries or benefits of administrators or any other administrative costs.

Proposition 2

On November 4, 2014, voters approved the Rainy Day Budget Stabilization Fund Act (also known as "Proposition 2"). Proposition 2 is a legislatively-referred constitutional amendment which makes certain changes to State budgeting practices, including substantially revising the conditions under which transfers are made to and from the State's Budget Stabilization Account (the "BSA") established by the California Balanced Budget Act of 2004 (also known as Proposition 58).

Under Proposition 2, and beginning in fiscal year 2015-16 and each fiscal year thereafter, the State will generally be required to annually transfer to the BSA an amount equal to 1.5% of estimated State general fund revenues (the "Annual BSA Transfer"). Supplemental transfers to the BSA (a "Supplemental BSA Transfer") are also required in any fiscal year in which the estimated State general fund revenues that are allocable to capital gains taxes exceed 8% of total estimated general fund tax revenues. Such excess capital gains taxes—net of any portion thereof owed to K-14 school districts pursuant to Proposition 98—will be transferred to the BSA. Proposition 2 also increases the maximum size of the BSA to an amount equal to 10% of estimated State general fund revenues for any given fiscal year. In any fiscal year in which a required transfer to the BSA would result in an amount in excess of the 10% threshold, Proposition 2 requires such excess to be expended on State infrastructure, including deferred maintenance.

For the first 15 year period ending with the 2029-30 fiscal year, Proposition 2 provides that half of any required transfer to the BSA, either annual or supplemental, must be appropriated to reduce certain State liabilities, including making certain payments owed to K-14 school districts, repaying State interfund borrowing, reimbursing local governments for State mandated services, and reducing or prefunding accrued liabilities associated with State-level pension and retirement benefits. Following the initial 15-year period, the Governor and the State Legislature are given discretion to apply up to half of any required transfer to the BSA to the reduction of such State liabilities. Any amount not applied towards such reduction must be transferred to the BSA or applied to infrastructure, as described above.

Proposition 2 changes the conditions under which the Governor and the State Legislature may draw upon or reduce transfers to the BSA. The Governor does not retain unilateral discretion to suspend transfers to the BSA, nor does the State Legislature retain discretion to transfer funds from the BSA for any reason, as previously provided by law. Rather, the Governor must declare a "budget emergency," defined as a an emergency within the meaning of Article XIIIB of the Constitution or a determination that estimated resources are inadequate to fund State general fund expenditures, for the current or ensuing fiscal year, at a level equal to the highest level of State spending within the three immediately preceding fiscal years. Any such declaration must be followed by a legislative bill providing for a reduction or transfer. Draws on the BSA are limited to the amount necessary to address the budget emergency, and no draw in any fiscal year may exceed 50% of funds on deposit in the BSA unless a budget emergency was declared in the preceding fiscal year.

Proposition 2 also requires the creation of the Public School System Stabilization Account (the "PSSSA") into which transfers will be made in any fiscal year in which a Supplemental BSA Transfer is required (as described above). Such transfer will be equal to the portion of capital gains taxes above the 8% threshold that would be otherwise paid to K-14 school districts as part of the Minimum Funding Guarantee. A transfer to the PSSSA will only be made if certain additional conditions are met, as follows: (i) the Minimum Funding Guarantee was not suspended in the immediately preceding fiscal year, (ii) the operative Proposition 98 formula for the fiscal year in which a PSSSA transfer might be made is "Test 1," (iii) no maintenance factor obligation is being created in the budgetary legislation for the fiscal year in which a PSSSA transfer might be made, (iv) all prior maintenance factor obligations have been fully repaid, and (v) the Minimum Funding Guarantee for the fiscal year in which a PSSSA transfer might be made is higher than the immediately preceding fiscal year, as adjusted for ADA growth and cost of living. Proposition 2 caps the size of the PSSSA at 10% of the estimated Minimum Funding Guarantee in any fiscal year, and any excess funds must be paid to K-14 school districts. Reductions to any required transfer to the PSSSA, or draws on the PSSSA, are subject to the same budget emergency requirements described above. However, Proposition 2 also mandates draws on the PSSSA in any fiscal year in which the estimated Minimum Funding Guarantee is less than the prior year's funding level, as adjusted for ADA growth and cost of living.

Proposition 51

The Kindergarten Through Community College Public Education Facilities Bond Act of 2016 (also known as Proposition 51) is a voter initiative that was approved by voters on November 8, 2016. Proposition 51 authorizes the sale and issuance by the State of $9 billion in general obligation bonds for the new construction and modernization of K-14 facilities.

K-12 School Facilities. Proposition 51 includes $3 billion for the new construction of K-12 facilities and an additional $3 billion for the modernization of existing K-12 facilities. K-12 school districts will be required to pay for 50% of the new construction costs and 40% of the modernization costs with local revenues. If a school district lacks sufficient local funding, it may apply for additional state grant funding, up to 100% of the project costs. In addition, a total of $1 billion will be available for the modernization and new construction of charter school ($500 million) and technical education ($500 million) facilities. Generally, 50% of modernization and new construction project costs for charter school and technical education facilities must come from local revenues. However, schools that cannot cover their local share for these two types of projects may apply for state loans. State loans must be repaid over a maximum of 30 years for charter school facilities and 15 years for career technical education facilities. For career technical education facilities, state grants are capped at $3 million for a new facility and $1.5 for a modernized facility. Charter schools must be deemed financially sound before project approval.

Community College Facilities. Proposition 51 includes $2 billion for community college district facility projects, including buying land, constructing new buildings, modernizing existing buildings, and purchasing equipment. In order to receive funding, community college districts must submit project proposals to the Chancellor of the community college system, who then decides which projects to submit to the Legislature and Governor based on a scoring system that factors in the amount of local funds contributed to the project. The Governor and Legislature will select among eligible projects as part of the annual state budget process.

The District makes no guarantees that it will either pursue or qualify for Proposition 51 state facilities funding.

Future Initiatives

Article XIIIA, Article XIIIB, Article XIIIC and Article XIIID of the California Constitution and Propositions 22, 26, 30, 39, 98, 55 and 51 were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time other initiative measures could be adopted further affecting District revenues or the District's ability to expend revenues. The nature and impact of these measures cannot be anticipated by the District.

FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA

The information in this section concerning State funding of community colleges is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Bonds is payable from State revenues. The Bonds are payable solely from the proceeds of an ad valorem property tax *required to be levied by the County in an amount sufficient for the payment thereof.*

Major Revenues

General. California community college districts (other than Basic Aid districts, as described below) receive a majority of their funding from the State, and the balance from local and federal sources. State funds include general apportionment, categorical funds, capital construction, lottery funds, and other minor sources. Every community college district receives the same amount of State lottery funds on a per-student basis (which is generally less than 3%), although lottery funds are not categorical funds as they are not for particular programs or students. The initiative authorizing the lottery requires the funds to be used for instructional purposes, and prohibits their use for capital purposes.

The major local revenue source is local property taxes that are collected from within district boundaries, with student enrollment fees accounting for the most of the remainder. A small part of a community college district's budget is from local sources other than property taxes and student enrollment fees, such as interest income, donations, educational foundation contributions and sales or leases of property.

The sum of property taxes, student enrollment fees, and State aid comprise a district's revenue limit. State funding is generally subject to the appropriation of funds in the State's annual budget. Thus, decreases in State revenues may affect appropriations made by the State Legislature to community college districts.

"Basic Aid" community college districts (also referred to "community supported" districts) are those districts whose local property taxes, student enrollment fee collections, and Education Protection Account funds exceed the revenue allocation determined by the current State funding model. See also

"CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS – Proposition 55" herein. Thus, Basic Aid districts do not receive any general apportionment funding from the State. The current law in the State allows these districts to keep the excess funds without penalty. The implication for Basic Aid districts is that the legislatively determined annual COLAs and other politically determined factors are less significant in determining such districts primary funding sources. Rather, property tax growth and the local economy become the determining factors. The District is a Basic Aid district. **The District has qualified as a Basic Aid district since fiscal year 2002-03, and for fiscal year 2018-19, the District's local tax, student fees and EPA funds are expected to exceed its revenue allocation by approximately $33.1 million.**

Enrollment Based Funding. California community college districts apportionments were previously funded pursuant to a system established by Senate Bill 361 ("SB 361"). SB 361 provided for a basic allocation (a "Basic Allocation") based on the number of colleges, state-approved education centers and total enrollment, together with funding based on per-student rates for credit FTES, non-credit FTES and career development and college preparation ("CDCP") non-credit FTES.

SB 361 specified that, commencing with the 2006-07 fiscal year the minimum funding per FTES would be: (a) not less than $4,367 per credit FTES; (b) at a uniform rate of $2,626 per non-credit FTES; and (c) $3,092 per CDCP FTES. Although CDCP FTES were initially funded at a lower rate than credit FTES, subsequent legislation effective as of the 2015-16 fiscal year set the minimum funding for CDCP FTES at the same level as credit FTES. Each such minimum funding rate was subject to cost of living adjustments (each, a "COLA"), if any, funded through the State budgeting legislation in each fiscal year.

One unit of FTES is equivalent to 525 student contact hours, which is determined based on a State formula of one student multiplied by 15 weekly contact hours multiplied by 35 weeks. Accordingly, the number of FTES in the District may not equal the number of students enrolled in the District.

In each fiscal year, the State budget established an enrollment cap on the maximum number of resident FTES, known as the "funded" FTES, for which a community college district would receive a revenue allocation. A district's enrollment cap was based on the previous fiscal year's reported FTES, plus the growth allowance provided for by the State budget, if any. All student hours in excess of the enrollment cap were considered "unfunded" FTES. Nonresident and international students are excluded from the State funding formula and pay full tuition.

Student Centered Funding Formula. Assembly Bill 1809 ("AB 1809"), the higher education trailer bill passed as part of the State budget for fiscal year 2018-19, referred to as the "Student Centered Funding Formula," (the "SCFF"). The SCFF includes three components: (1) a base allocation (the "Base Allocation") driven primarily by enrollment, (2) a supplemental allocation (the "Supplemental Allocation") based on the number of certain types of low-income students, and (3) a student success allocation (the "Student Success Allocation") that is calculated using various performance-based metrics.

The SCFF includes several provisions to provide districts greater financial stability in transitioning to the new formula: (i) for fiscal years 2018-19 through 2020-21, community college districts will receive no less in total apportionment funding than they received in 2017-18, adjusted for COLAs; (ii) for fiscal year 2021-22 and onward, districts will receive no less in apportionment funding per-student than they received in fiscal year 2017-18; and (iii) beginning in fiscal year 2018-19, districts will receive the greater of the amount calculated by the SCFF for the current or prior year (excluding amounts districts receive pursuant to the provision summarized in (i) above.)

Base Allocation. The Base Allocation is composed of (1) the Basic Allocation, determined consistent with the prior funding formula (see "—Enrollment Based Funding"), and (2) funding for credit, non-credit and CDCP FTES. The Base Allocation is expected to constitute approximately 70% of Statewide funding for community college district in fiscal year 2018-19, 65% in fiscal year 2019-20 and 60% in fiscal years 2020-21 and onward.

The SCFF provides minimum funding levels for credit FTES for the first three fiscal years, and which apply generally to most community college districts. For certain districts that were entitled to higher funding rates under the prior funding formula, such as the District, the SCFF provides higher minimum credit FTES funding rates. With respect to the District, these rates are as follows: (i) $4,261 for fiscal year 2018-19, (ii) $3,872 for fiscal year 2019-20, adjusted for COLAs and other base adjustments, and (iii) $3,482 for fiscal year 2020-21, adjusted for COLAs and other base adjustments in both the then-current and prior fiscal year. Beginning in fiscal year 2021-22, the provision of COLAs and other adjustments will be subject to appropriation therefor in the annual State budget. Total funding for credit FTES will be based on a rolling three-year average of the funded credit FTES from the current fiscal year and the two immediately preceding fiscal years.

Funding levels for non-credit and CDCP FTES are determined consistent with the prior funding formula. See "—Enrollment Based Funding" herein. Total funding for these categories will be based on actual non-credit and CDCP FTES for the most recent fiscal year.

The table below shows a breakdown of the District's historical resident FTES figures for the last nine fiscal years, and a projection for the current fiscal year.

RESIDENT FULL TIME EQUIVALENT STUDENTS
Fiscal Years 2009-10 through 2018-19
Marin Community College District

Fiscal Year	Actual FTES
2009-10	5,460
2010-11	5,385
2011-12	5,015
2012-13	4,671
2013-14	4,366
2014-15	3,834
2015-16	3,799
2016-17	3,715
2017-18	3,716
2018-19(1)	3,716

(1) Projected.
Source: Marin Community College District.

Supplemental Allocation. The Supplemental Allocation, accounting for approximately 20% of Statewide funding, will be distributed to districts based on their headcounts of students that qualify for Federal Pell Grants, California College Promise Grants or student fee waivers under California Education Code 76300. The SCFF provides $919 per qualifying student for fiscal year 2018-19. Beginning in fiscal year 2019-20, the provision of COLAs and other adjustments to this amount will be subject to appropriation therefor in the annual State budget. Headcounts are not unduplicated, such that districts will receive twice as much supplemental funding for a student that falls into more than one of the aforementioned categories.

Student Success Allocation. The Student Success Allocation will be distributed to districts based on their performance in a various student outcome metrics, including obtaining various degrees and certificates, completing transfer-level math and English courses within a student's first year, and having students obtain a regional living wage within a year of completing community college. The Student Success Allocation is expected to account for 10% of statewide funding for community college districts in fiscal year 2018-19, 15% in fiscal year 2019-20 and 20% in fiscal years 2020-21 and onward. Each metric is assigned a point value, with some metrics are weighted more than others. A single student outcome with more points will generate more funding. Outcome metrics for students that qualify for Federal Pell Grants and California College Promise Grants are eligible for additional funding.

For fiscal year 2018-19, the SCFF provides a rate for all students of $440 per point, and additional $111 per point for Pell Grant and California College Promise Grant students. For fiscal year 2019-20, these rates increase to $660 per point and $167 per point, respectively, subject to COLAs and other base adjustments. For fiscal year 2020-21, the rates increase to $880 per point and $222 per point, respectively, subject to COLAs and other base adjustments.

Budget Procedure

On or before September 15, the Board of Trustees of a community college district is required under Section 58305 of the California Code of Regulations, Title V, to adopt a balanced budget. Each September, every State agency, including the Chancellor, submits to the Department of Finance ("DOF") proposals for changes in the State budget. These proposals are submitted in the form of Budget Change Proposals ("BCPs"), involving analyses of needs, proposed solutions and expected outcomes. Thereafter, the DOF makes recommendations to the governor, and by January 10 a proposed State budget is presented by the governor to the legislature. The Governor's State budget is then analyzed and discussed in committees and hearings begin in the State Assembly and Senate. In May, based on the debate, analysis and changes in the economic forecasts, the governor issues a revised budget with changes he or she can support. The law requires the legislature to submit its approved budget by June 15, and by June 30 the governor should announce his or her line item reductions and sign the State budget. In response to growing concern for accountability and with enabling legislation (AB 2910, Chapter 1486, Statutes of 1986), the Board of Governors and the Chancellor's Office have established expectations for sound district fiscal management and a process for monitoring and evaluating the financial condition to ensure the financial health of California's community college districts. In accordance with statutory and regulatory provisions, the Chancellor has been given the responsibility to identify districts at risk and, when necessary, the authority to intervene to bring about improvement in their financial condition. To stabilize a district's financial condition, the Chancellor may, as a last resort, seek an appropriation for an emergency apportionment.

The monitoring and evaluation process is designed to provide early detection and amelioration that will stabilize the financial condition of a district before an emergency apportionment is necessary. This is accomplished by (1) assessing the financial condition of districts through the use of various information sources and (2) taking appropriate and timely follow-up action to bring about improvement in a district's financial condition, as needed. A variety of instruments and sources of information are used to provide a composite of each district's financial condition, including quarterly financial status reports, annual financial and budget reports, attendance reports, annual district audit reports, district input and other financial records. In assessing each district's financial condition, the Chancellor will pay special attention to each district's general fund balance, spending pattern, and full-time equivalent student patterns. Those districts with greater financial difficulty will receive follow-up visits from the Chancellor's Office where financial solutions to the district's problems will be addressed and implemented.

See “MARIN COMMUNITY COLLEGE DISTRICT – District Budgeting” for more information regarding the District’s recent budgeting trends.

Minimum Funding Guarantees for California Community College Districts Under Propositions 98 and 111

General. In 1988, California voters approved Proposition 98, an initiative that amended Article XVI of the State Constitution and provided specific procedures to determine a minimum guarantee for annual K-14 funding. The constitutional provision links the K-14 funding formulas to growth factors that are also used to compute the State appropriations limit. Proposition 111 (Senate Constitutional Amendment 1), adopted in June 1990, among other things, changed some earlier school funding provisions of Proposition 98 relating to the treatment of revenues in excess of the State spending limit and added a third funding test (“Test 3”) to calculate the annual funding guarantee. This third calculation is operative in years in which general fund tax revenue growth is weak. The amendment also specified that under Test 2 (see below), the annual COLA for the minimum guarantee for annual K-14 funding would be the change in California’s per-capita personal income, which is the same COLA used to make annual adjustments to the State appropriations limit (Article XIIIB).

Calculating Minimum Funding Guarantee. There are currently three tests which determine the minimum level of K-14 funding. Under implementing legislation for Proposition 98 (AB 198 and SB 98 of 1989), each segment of public education (K-12 districts, community college districts, and direct elementary and secondary level instructional services provided by the State) has separately calculated amounts under the Proposition 98 tests. The base year for the separate calculations is the 1989-90 fiscal year. Each year, each segment is entitled to the greater of the amounts separately computed for each under Test 1 or 2. Should the calculated amount Proposition 98 guarantee (K-14 aggregated) be less than the sum of the separate calculations, then the Proposition 98 guarantee amount shall be prorated to the three segments in proportion to the amount calculated for each. This statutory split has been suspended in every year beginning with 1992-93. In those years, community colleges received less than was required from the statutory split.

Test 1 guarantees that K-14 education will receive at least the same funding share of the State general fund budget it received in 1986-87. Initially, that share was just over 40 percent. Because of the major shifts of property tax from local government to school districts and community college districts which began in 1992-93 and increased in 1993-94, the percentage dropped to 33.0%.

Test 2 provides that K-14 education will receive as a minimum, its prior-year total funding (including State general fund and local revenues) adjusted for enrollment growth and per-capita personal income COLA.

Test 3 established pursuant to Proposition 111, provides an alternative calculation of the funding base in years in which State per-capita General Fund revenues grow more slowly than per-capita personal income. When this condition exists, K-14 minimum funding is determined based on the prior-year funding level, adjusted for changes in enrollment and COLA where the COLA is measured by the annual increase in per-capita general fund revenues, instead of the higher per-capita personal income factor. The total allocation, however, is increased by an amount equal to one-half of one percent of the prior-year funding level as a funding supplement.

In order to make up for the lower funding level under Test 3, in subsequent years K-14 education receives a maintenance allowance (also referred to as a “maintenance factor”) equal to the difference between what should have been provided if the revenue conditions had not been weak and what was actually received under the Test 3 formula. This maintenance allowance is paid in subsequent years when the growth in per-capita State tax revenue outpaces the growth in per-capita personal income.

The enabling legislation to Proposition 111, Chapter 60, Statutes of 1990 (SB 98, Garamendi), further provides that K-14 education shall receive a supplemental appropriation in a Test 3 year if the annual growth rate in non-Proposition 98 per-capita appropriations exceeds the annual growth rate in per-pupil total spending.

Redevelopment Revenue

Redevelopment Revenue. The District receives pass-through tax increment revenue (the "Pass-Through Revenues") from the former redevelopment agencies within the District's boundaries. The Pass-Through Revenues received by the District are deposited into the District's Bond Redemption Fund. The Pass-Through Revenues do not offset the State apportionment received by the District. The amount of Pass-Through Revenues received by the District from fiscal years 2013-14 through 2017-18 and a budgeted amount for fiscal year 2018-19 are shown in the following table.

PASS-THROUGH REVENUES
Fiscal Years 2013-14 and 2018-19
Marin Community College District

Fiscal Year	Pass-Through Revenues(1)
2013-14	$44,006
2014-15	48,576
2015-16	54,541
2016-17	60,891
2017-18	64,991
2018-19(2)	25,000

(1) Pass-Through Revenues received do not offset State apportionments received by the District.
(2) Budgeted.
Source: Marin Community College District.

State Dissolution of Redevelopment Agencies

On December 30, 2011, the California Supreme Court issued its decision in the case of *California Redevelopment Association v. Matosantos* ("*Matosantos*"), finding ABx1 26, a trailer bill to the 2011-12 State budget, to be constitutional. As a result, all Redevelopment Agencies in California ceased to exist as a matter of law on February 1, 2012. The Court in *Matosantos* also found that ABx1 27, a companion bill to ABx1 26, violated the California Constitution, as amended by Proposition 22. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 1A and Proposition 22" herein. ABx1 27 would have permitted redevelopment agencies to continue operations provided their establishing cities or counties agreed to make specified payments to K-14 school districts and county offices of education, totaling $1.7 billion statewide.

ABx1 26 was modified by Assembly Bill No. 1484 (Chapter 26, Statutes of 2011-12) ("AB 1484"), which, together with ABx1 26, is referred to herein as the "Dissolution Act." The Dissolution Act provides that all rights, powers, duties and obligations of a redevelopment agency under the California Community Redevelopment Law that have not been repealed, restricted or revised pursuant to ABx1 26 will be vested in a successor agency, generally the county or city that authorized the creation of the redevelopment agency (each, a "Successor Agency"). All property tax revenues that would have been allocated to a redevelopment agency, less the corresponding county auditor-controller's cost to administer the allocation of property tax revenues, are now allocated to a corresponding Redevelopment Property Tax Trust Fund ("Trust Fund"), to be used for the payment of pass-through payments to local taxing entities, and thereafter to bonds of the former redevelopment agency and any "enforceable obligations" of the Successor Agency, as well as to pay certain administrative costs. The Dissolution Act defines "enforceable obligations" to include bonds, loans, legally required payments, judgments or settlements, legal binding and enforceable obligations, and certain other obligations.

Among the various types of enforceable obligations, the first priority for payment is tax allocation bonds issued by the former redevelopment agency; second is revenue bonds, which may have been issued by the host city, but only where the tax increment revenues were pledged for repayment and only where other pledged revenues are insufficient to make scheduled debt service payments; third is administrative costs of the Successor Agency, equal to at least $250,000 in any year, unless the oversight board reduces such amount for any fiscal year or a lesser amount is agreed to by the Successor Agency; then, fourth tax revenues in the Trust Fund in excess of such amounts, if any, will be allocated as residual distributions to local taxing entities in the same proportions as other tax revenues. Moreover, all unencumbered cash and other assets of former redevelopment agencies will also be allocated to local taxing entities in the same proportions as tax revenues. Notwithstanding the foregoing portion of this paragraph, the order of payment is subject to modification in the event a Successor Agency timely reports to the Controller and the Department of Finance that application of the foregoing will leave the Successor Agency with amounts insufficient to make scheduled payments on enforceable obligations. If the county auditor-controller verifies that the Successor Agency will have insufficient amounts to make scheduled payments on enforceable obligations, it shall report its findings to the Controller. If the Controller agrees there are insufficient funds to pay scheduled payments on enforceable obligations, the amount of such deficiency shall be deducted from the amount remaining to be distributed to taxing agencies, as described as the fourth distribution above, then from amounts available to the Successor Agency to defray administrative costs. In addition, if a taxing agency entered into an agreement pursuant to Health and Safety Code Section 33401 for payments from a redevelopment agency under which the payments were to be subordinated to certain obligations of the redevelopment agency, such subordination provisions shall continue to be given effect.

As noted above, the Dissolution Act expressly provides for continuation of pass-through payments to local taxing entities. Per statute, 100% of contractual and statutory two percent pass-throughs, and 56.7% of statutory pass-throughs authorized under the Community Redevelopment Law Reform Act of 1993 (AB 1290, Chapter 942, Statutes of 1993) ("AB 1290"), are restricted to educational facilities without offset against revenue limit apportionments by the State. Only 43.3% of AB 1290 pass-throughs are offset against State aid so long as the affected local taxing entity uses the moneys received for land acquisition, facility construction, reconstruction, or remodeling, or deferred maintenance as provided under Education Code Section 42238(h).

ABx1 26 states that in the future, pass-throughs shall be made in the amount "which would have been received . . . had the redevelopment agency existed at that time," and that the county auditor-controller shall "determine the amount of property taxes that would have been allocated to each redevelopment agency had the redevelopment agency not been dissolved pursuant to the operation of [ABx1 26] using current assessed values . . . and pursuant to statutory formulas and contractual agreements with other taxing agencies."

Successor Agencies continue to operate until all enforceable obligations have been satisfied and all remaining assets of the Successor Agency have been disposed of. AB 1484 provides that once the debt of the Successor Agency is paid off and remaining assets have been disposed of, the Successor Agency shall terminate its existence and all pass-through payment obligations shall cease.

The District can make no representations as to the extent to which its base apportionments from the State may be offset by the future receipt of residual distributions or from unencumbered cash and assets of former redevelopment agencies or any other surplus property tax revenues pursuant to the Dissolution Act.

State Assistance

California community college districts' principal funding formulas and revenue sources are derived from the budget of the State of California. The following information concerning the State of California's budgets has been obtained from publicly available information which the District believes to be reliable; however, none of the District, the Municipal Advisor, or the Underwriter guarantee the accuracy or completeness of this information and none of the District, the Municipal Advisor, or the Underwriter has independently verified such information. Furthermore, it should not be inferred from the inclusion of this information herein that the principal of or interest on the Bonds is payable from the general fund of the District. The Bonds are payable solely from the proceeds of an ad valorem *property tax required to be levied by the County in an amount sufficient for the payment thereof.*

2018-19 Budget. On June 27, 2018, the Governor signed into law the State budget for fiscal year 2018-19 (the "2018-19 Budget"). The following information is drawn from the LAO's preliminary review of the 2018-19 Budget.

To protect against potential future economic recessions, the 2018-19 Budget fully funds the BSA with a total deposit of over $4.4 billion, including a $2.6 billion optional deposit in addition to the Constitutionally-required deposit, and adds two additional reserves to State law: the Safety Net Reserve Fund, intended to save money specifically for future expenditures of the CalWORKs and Medi-Cal programs; and the Budget Deficit Savings Account ("BDSA"), which for 2018-19 will temporarily hold the $2.6 billion optional BSA deposit until May 2019. In May 2019, the optional BSA deposit amount will be adjusted as necessary to reflect updated estimates of revenues, at which point it will be transferred to the BSA. The projected ending balance in the BSA at the end of the 2018-19 fiscal year is expected to equal the BSA's current constitutional maximum of 10 percent of the estimated general fund revenues for fiscal year 2018-19.

For fiscal year 2017-18, the 2018-19 Budget projects total general fund revenues and transfers of $129.8 billion and total expenditures of $127.0 billion. The State is projected to end the 2017-18 fiscal year with total available general fund reserves of $16.7 billion, including $7.3 billion in the traditional general fund reserve and $9.4 billion in the BSA. For fiscal year 2018-19, the 2018-19 Budget projects total general fund revenues of $133.3 billion and authorizes expenditures of $138.7 billion. The State is projected to end the 2018-19 fiscal year with total available general fund reserves of $15.9 billion, including $2.0 billion in the traditional general fund reserve, $13.8 billion in the BSA and $200 million in the Safety Net Reserve Fund. See also "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 2" herein.

With respect to education funding, the 2018-19 Budget revises the Proposition 98 minimum funding guarantees for both fiscal years 2016-17 and 2017-18, as a result of higher general fund revenues. The 2018-19 Budget sets the Proposition 98 minimum funding guarantee for fiscal year 2016-17 at $71.6 billion, an increase of $252 million from the prior year. The 2018-19 Budget revises the minimum funding guarantee for fiscal year 2017-18 at $75.6 billion, reflecting an increase of $1.1 billion from the prior year. As part of the 2017-18 increase, the State is making an additional maintenance factor payment of $789 million, on top of a previous $536 million payment. After making the approximately $1.3 billion total payment, the State will have eliminated all remaining maintenance factor for the first time since 2005-06. In both 2016-17 and 2017-18, the State is spending at the calculated minimum guarantee.

For fiscal year 2018-19, the 2018-19 Budget sets the minimum funding guarantee at $78.4 billion, reflecting an increase of $2.8 billion (or 3.7%) from the revised prior-year level. Fiscal year 2018-19 is projected to be a "Test 2" year, with the increase in the minimum funding guarantee attributable to a 3.67% increase in per capita personal income. With respect to community college education, the 2018-19 Budget sets Proposition 98 funding at $9.2 billion, including $6.0 billion from the State general fund, reflecting an increase of $474 million (or 5.5%) from the prior year. This increase includes $164 million for the K-12 component of the Strong Workforce Program – excluding this amount, the total increase for community college spending from the prior year's level is $310 million (or 3.6%). Per-FTES spending increases $630 (or 8.5%) to $8,046.

Other significant features with respect to community college education funding include the following:

- *New Funding Formula* – $175 million in ongoing and $35 million one-time Proposition 98 funding to begin the transition to a new community college funding formula. See "FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA – Major Revenues - Student Centered Funding Formula" herein.

- *Enrollment; Apportionments* – An increase of $60 million in Proposition 98 funding to base allocations to support a 1% growth in enrollment system-wide. The 2018-19 Budget also provides $173 million to fund a 2.71% COLA to apportionments and $13 million to fund a 2.71% COLA to selected categorical programs.

- *California Online College* – $100 million in one-time Proposition 98 funding and $20 million in ongoing Proposition 98 funding for the establishment and operation of a fully online community college (the "Online College") to be administered by the California Community Colleges Board of Governors.

- *Online Programs for Existing Community College Districts* – $35 million one-time Proposition 98 funding for existing community college districts to develop online programs and courses that lead to short-term industry-valued credentials or enable a student who completed a program at the Online College to continue their education at an existing community college.

- *Faculty* – $50 million additional ongoing Proposition 98 funding for colleges to hire more full-time faculty, and $50 million one-time Proposition 98 funding for part-time faculty office hours.

- *Financial Aid* – $46 million in Proposition 98 funding for the expansion of the California College Promise Grant program. The 2018-19 Budget also replaces the Full-Time Student Success Grant and the Community College Completion Grant with a new program – the Community Colleges Student Success Completion Grant – intended to help financially needy community college students with their living costs. The 2018-19 Budget provides $132 million in funding for this new program, an increase of $41 million over the combined cost of the two prior programs in 2017-18.

- *Student Services* – Several one-time allocations for community college districts to help students with various issues of core academic instruction, including $10 million to provide mental health services, $10 million to address student hunger at campuses, and $10 million to provide legal services to undocumented students.

- *Maintenance and Instructional Equipment* – $28 million in one-time Proposition 98 funding for scheduled maintenance, special repairs, hazardous substance abatement, architectural barrier removal, certain seismic retrofit projects, water conservation projects and replacement of instructional equipment and library materials. Funds will be allocated based on full time equivalent student enrollment.

- *Proposition 51* – $10 million in Proposition 51 bond funds for initial design activities for six new capital outlay projects, and $40 million in Proposition 51 bond funds for subsequent phases of 15 projects approved in the 2017-18 fiscal year.

For additional information regarding the 2018-19 Budget, see the State Department of Finance website at www.dof.ca.gov and the LAO's website at www.lao.ca.gov. However, the information presented on such websites is not incorporated herein by reference.

Proposed 2019-20 Budget. On January 10, 2019, the Governor released his proposed State budget for fiscal year 2019-20 (the "Proposed 2019-20 Budget"). The following information is drawn from the State Department of Finance's summary, and the LAO's review of, the Proposed 2019-20 Budget.

For fiscal year 2018-19, the Proposed 2019-20 Budget projects total general fund revenues and transfers of $136.9 billion and total expenditures of $144.1 billion. The State is projected to end the 2018-19 fiscal year with total available general fund reserves of $18.3 billion, including $3.9 billion in the traditional general fund reserve, $13.5 billion in the BSA and $900 million in the Safety Net Reserve Fund. For fiscal year 2019-20, the Proposed 2019-20 Budget projects total general fund revenues and transfers of $142.6 billion and authorizes expenditures of $144.2 billion. The State is projected to end the 2019-20 fiscal year with total available general fund reserves of $18.5 billion, including $2.3 billion in the traditional general fund reserve, $15.3 billion in the BSA and $900 million in the Safety Net Reserve Fund. The Governor notes that additional deposits to the BSA are premised on a recent opinion by the California Office of Legislative Counsel which concluded that supplemental payments to the BSA made in prior fiscal years do not count towards calculating its constitutional maximum of 10% Under the Governor's new estimates, mandatory deposits to the BSA represent only 8.1% of State general fund taxes. See also "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 2" herein.

With respect to education funding, the Proposed 2019-20 Budget revises the Proposition 98 minimum funding guarantees for both fiscal years 2017-18 and 2018-19, as a result of lower-than-anticipated ADA and a year-to-year decline in State general fund revenue growth. The Proposed 2019-20 Budget sets the Proposition 98 minimum funding guarantee for fiscal year 2017-18 at $75.5 billion, a decrease of $120.1 million from the prior year. The Proposed 2019-20 Budget revises the minimum funding guarantee for fiscal year 2018-19 at $77.9 billion, reflecting a decrease of $525.7 million from the prior year. Notwithstanding these decreases, the Proposed 2019-20 Budget maintains level funding for K-14 education in these years by maintaining a $44 million overappropriation to the fiscal year 2017-18 minimum guarantee and using settle-up payments to offset otherwise unfunded obligations in fiscal year 2018-19.

For fiscal year 2019-20, the Proposed 2019-20 Budget sets the minimum funding guarantee at $80.7 billion, reflecting an increase of $2.8 billion (or 3.6%) from the revised prior-year level. Fiscal year 2019-20 is projected to be a "Test 3" year. Significant features with respect to community college funding include the following:

- *Student Centered Funding Formula* – The Proposed 2019-20 Budget includes certain revisions to the Student Centered Funding Formula, including (i) funding outcomes included in the Student Success Allocation at their current rates, adjusted for inflation in fiscal year 2019-20, and (ii) establishing reasonable limits, capped at 10%, on the year-over-year increases in resources a community college district could receive through the Student Success Allocation. See also "FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA – Student Centered Funding Formula" herein.

- *Enrollment; Apportionments* – An increase of $26 million in Proposition 98 funding to base allocations to support a growth in enrollment system-wide. The Proposed 2019-20 Budget also provides $248.3 million to fund a 3.46% COLA to apportionments, and $18 million to fund a similar COLA for the Adult Education block grant program.

- *California College Promise* – $40 million of Proposition 98 funding to support a second year of free tuition for certain qualifying students.

- *Pension Costs* – A $3 billion, one-time payment from non-Proposition 98 funds to CalSTRS, to reduce long-term liabilities for K-14 school districts. Of this amount, $700 million would be provided to buy down employer contribution rates in fiscal years 2019-20 and 2020-21. The remaining $2.3 billion would be paid towards employers' long-term unfunded liability.

- *Legal Services* – An increase of $10 million in Proposition 98 funding to provide legal services to undocumented and immigrant students, faculty and staff on district campuses.

- *Proposition 51* – $358.7 million in Proposition 51 bond funds for 12 new and 15 continuing projects.

For additional information regarding the Proposed 2019-20 Budget, see the State Department of Finance website at www.dof.ca.gov and the LAO's website at www.lao.ca.gov. However, the information presented on such websites is not incorporated herein by reference.

Future Actions. The District cannot predict what actions will be taken in the future by the State legislature and the Governor to address changing State revenues and expenditures. The District also cannot predict the impact such actions will have on State revenues available in the current or future years for education. The State budget will be affected by national and State economic conditions and other factors over which the District will have no control. Certain actions or results could produce a significant shortfall of revenue and cash, and could consequently impair the State's ability to fund schools. State budget shortfalls in future fiscal years may also have an adverse financial impact on the financial condition of the District. However, the obligation to levy *ad valorem* property taxes upon all taxable property within the District for the payment of principal of and interest on the Bonds would not be impaired.

MARIN COMMUNITY COLLEGE DISTRICT

The information in this section concerning the operations of the District and the District's finances is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of and interest on the Bonds is payable from the general fund of the District. The Bonds are payable solely from the revenues generated by an ad valorem *property tax required to be levied by the County in an amount sufficient for the payment thereof. See "THE BONDS – Security and Sources of Payment" herein.*

Introduction

The District was established in 1926 and serves a portion of Marin County. The District currently maintains one comprehensive community college, College of Marin, with campuses in Kentfield and Novato. The District has been a Community Supported (Basic Aid) district (defined herein) since fiscal year 2002-03. For fiscal year 2018-19, the District has a projected FTES of 3,716. Taxable property within the District has a fiscal year 2018-19 assessed valuation of $78,442,481,988. The College of Marin is fully accredited by the ACCJC.

The District is governed by a seven-member Board of Trustees, each member of which is elected at-large to a four-year term. Elections for positions to the Board of Trustees are held every two years, alternating between three and four available positions. The management and policies of the District are administered by a Superintendent/President appointed by the Board of Trustees who is responsible for day-to-day District operations as well as the supervision of the District's other key personnel. Dr. David Wain Coon is the District Superintendent/President and Mr. Greg Nelson is the Assistant Superintendent/Vice President of Administrative Services.

Accreditation

The College of Marin is currently accredited by the ACCJC. Accreditation by the ACCJC is voluntary and designed to evaluate and enforce standards of educational quality and institutional effectiveness. Accreditation is also a form of peer review. ACCJC standards and criteria are developed and implemented by representatives from the member institutions. Although the ACCJC is not a governmental agency, and has no direct authority over the operations of the District, it is responsible for determining whether a college receives accreditation. For public colleges, the loss of accreditation would result in the loss of State and federal funding, including student financial aid.

If the ACCJC determines that a community college is out of compliance with accreditation standards, it may issue several levels of sanctions, including a warning, indicating the ACCJC's concern regarding identified deficiencies. A district deviating significantly from accreditation standards may have the affected college placed on "probation" status. Finally, if a district continues to be significantly out of compliance with accreditation standards, or fails to properly respond to ACCJC recommendations with respect to prior deficiencies, the ACCJC may place the affected college on a "show cause" status, requiring the affected institution to show cause why its accreditation should not be withdrawn at the end of the stated period. For a district issued such show cause status, ACCJC policies require the development of a closure plan for the affected college, to become operative in the event such district is unable to remedy the identified deficiencies. The requirement to develop a closure plan ensures that all those affected by the potential loss of accreditation are informed as early as possible, and that the affected district has a contingency plan for the completion of programs by students and the securing of their records. The ACCJC's policy, however, does not address any State or federal laws that would bear on the ability of a district to close a college.

In June 2017 the ACCJC reaffirmed the College's accreditation for seven years and the District submitted a follow-up report prior to the October 1, 2018 deadline.

Administration

The District is governed by a seven-member Board of Trustees, each member of which is elected to a four-year term. Elections for positions to the Board are held every two years, alternating between three and four available positions. Current members of the Board of Trustees, together with their offices and the dates their terms expire, are listed below:

Name	Office	Term Expires
Philip Kranenburg	President	December 2020
Stuart Tanenberg	Vice President	December 2020
Wanden Treanor	Clerk	December 2022
Suzanne Brown Crow	Member	December 2022
Diana Conti	Member	December 2022
Stephanie O'Brien	Member	December 2020
Eva Long, Ph.D.	Member	December 2020

The Superintendent/President of the District is responsible for administering the affairs of the District in accordance with the policies of the Board of Trustees. Dr. David Wain Coon is the District's current Superintendent/President. Brief biographies of key administrators follow:

Dr. David Wain Coon, Superintendent/President. Dr. David Wain Coon has held the position of Superintendent/President since December of 2010. Prior to accepting his current position, President Coon served as the Superintendent of Evergreen Valley College in San Jose. He has also served as Vice President for Student Success at Cascadia Community College, Executive Dean of Student Services at Green River Community College, Vice President of Student Services at the Art Institute of Seattle and the Director of Student Development at Pierce College, all in Washington state. He received his B.A. in Communications and Public Relations from Central Washington University, a Master of Education degree in Student Personnel Administration from Western Washington University and a Ed.D in Educational Leadership with an emphasis in Organizational Development from Seattle University.

Greg Nelson, Assistant Superintendent/Vice President of Administrative Services. Mr. Greg Nelson is currently serving as the Assistant Superintendent/Vice President of Administrative Services for the District. Prior thereto he held the position of Vice President Finance and College Operations since 2013. Prior thereto he served as the Vice President of Administrative Services at San Jose City College in the San Jose-Evergreen Community College District from 2011 to 2013, the Vice President of Administrative Services for West Georgia Technical College from 2008 to 2011, and the Assistant Budget Director of Technical College System of Georgia from 2000 to 2007. He received his Bachelor's degree in Political Science from Kennesaw State University and an M.B.A in Business Administration from DeVry University, Keller Graduate School. He also holds a Certificate, Governmental Accounting from the University of Georgia, Carl Vinson Institute of Government and a Certificate, Earned Value Management & Project for Results from the Performance Institute.

Labor Relations

The District currently employs 124 full-time and 285 part-time faculty professionals, 183 full-time and part-time classified employees and 51 supervisors/managers. District employees, including supervisory and confidential groups, but excluding some part-time employees, are represented by three bargaining units as noted below:

BARGAINING UNITS
Marin Community College District

Labor Organization	Number of Employees In Organization	Contract Expiration Date
United Professors of Marin	409	December 31, 2019
California School Employees Association	137	December 31, 2019
Service Employees International Union	46	December 31, 2019

Source: Marin Community College District.

Retirement Programs

The information set forth below regarding the STRS and PERS programs (as defined herein), other than the information provided by the District regarding its annual contributions thereto, has been obtained from publicly available sources which are believed to be reliable but are not guaranteed as to accuracy or completeness, and should not to be construed as a representation by either the District or the Underwriter.

STRS. All full-time certificated employees, as well as certain classified employees, are members of the State Teachers' Retirement System ("STRS"). STRS provides retirement, disability and survivor benefits to plan members and beneficiaries under a defined benefit program (the "STRS Defined Benefit Program"). The STRS Defined Benefit Program is funded through a combination of investment earnings and statutorily set contributions from three sources: employees, employers, and the State. Benefit provisions and contribution amounts are established by State statutes, as legislatively amended from time to time.

Prior to fiscal year 2014-15, and unlike typical defined benefit programs, none of the employee, employer nor State contribution rates to the STRS Defined Benefit Program varied annually to make up funding shortfalls or assess credits for actuarial surpluses. In recent years, the combined employer, employee and State contributions to the STRS Defined Benefit Program have not been sufficient to pay actuarially required amounts. As a result, and due to significant investment losses, the unfunded actuarial liability of the STRS Defined Benefit Program has increased significantly in recent fiscal years. In September 2013, STRS projected that the STRS Defined Benefit Program would be depleted in 31 years assuming existing contribution rates continued, and other significant actuarial assumptions were realized. In an effort to reduce the unfunded actuarial liability of the STRS Defined Benefit Program, the State passed the legislation described below to increase contribution rates.

Prior to July 1, 2014, K-14 school districts were required by such statutes to contribute 8.25% of eligible salary expenditures, while participants contributed 8% of their respective salaries. On June 24, 2014, the Governor signed AB 1469 ("AB 1469") into law as a part of the State's fiscal year 2014-15 budget. AB 1469 seeks to fully fund the unfunded actuarial obligation with respect to service credited to members of the STRS Defined Benefit Program before July 1, 2014 (the "2014 Liability"), within 32 years, by increasing member, K-14 school district and State contributions to STRS. Commencing July 1, 2014, the employee contribution rate increased over a three-year phase-in period in accordance with the following schedule:

MEMBER CONTRIBUTION RATES
STRS (Defined Benefit Program)

Effective Date	STRS Members Hired Prior to January 1, 2013	STRS Members Hired After January 1, 2013
July 1, 2014	8.150%	8.150%
July 1, 2015	9.200	8.560
July 1, 2016	10.250	9.205

Source: AB 1469.

Pursuant to the Reform Act (defined below), the contribution rates for members hired after the Implementation Date (defined below) will be adjusted if the normal cost increases by more than 1% since the last time the member contribution was set. The contribution rate for employees hired after the Implementation Date (defined below) increased from 9.205% of creditable compensation for fiscal year commencing July 1, 2017 to 10.205% of creditable compensation effective July 1, 2018.

Pursuant to AB 1469, K-14 school districts' contribution rate will increase over a seven-year phase-in period in accordance with the following schedule:

K-14 SCHOOL DISTRICT CONTRIBUTION RATES
STRS (Defined Benefit Program)

Effective Date	K-14 school districts
July 1, 2014	8.88%
July 1, 2015	10.73
July 1, 2016	12.58
July 1, 2017	14.43
July 1, 2018	16.28
July 1, 2019	18.13
July 1, 2020	19.10

Source: AB 1469.

Based upon the recommendation from its actuary, for fiscal year 2021-22 and each fiscal year thereafter the STRS Teachers' Retirement Board (the "STRS Board"), is required to increase or decrease the K-14 school districts' contribution rate to reflect the contribution required to eliminate the remaining 2014 Liability by June 30, 2046; provided that the rate cannot change in any fiscal year by more than 1% of creditable compensation upon which members' contributions to the STRS Defined Benefit Program are based; and provided further that such contribution rate cannot exceed a maximum of 20.25%. In addition to the increased contribution rates discussed above, AB 1469 also requires the STRS Board to report to the State Legislature every five years (commencing with a report due on or before July 1, 2019) on the fiscal health of the STRS Defined Benefit Program and the unfunded actuarial obligation with respect to service credited to members of that program before July 1, 2014. The reports are also required to identify adjustments required in contribution rates for K-14 school districts and the State in order to eliminate the 2014 Liability.

The District's contribution to STRS was $1,442,859 for fiscal year 2011-12, $1,432,479 for fiscal year 2012-13, $1,308,041 for fiscal year 2013-14, $1,594,920 for fiscal year 2014-15, $2,211,544 in fiscal year 2015-16, $2,488,796 in fiscal year 2016-17, and $2,940,921 in fiscal year 2017-18. The District has budgeted $3,695,968 as its contribution to STRS in fiscal year 2018-19.

The State also contributes to STRS, currently in an amount equal to 7.328% for fiscal year 2018-19. The State's contribution reflects a base contribution rate of 2.017%, and a supplemental contribution rate that will vary from year to year based on statutory criteria. Based upon the recommendation from its actuary, for fiscal year 2017-18 and each fiscal year thereafter, the STRS Board is required, with certain limitations, to increase or decrease the State's contribution rates to reflect the contribution required to eliminate the unfunded actuarial accrued liability attributed to benefits in effect before July 1, 1990.

In addition, the State is currently required to make an annual general fund contribution up to 2.5% of the fiscal year covered STRS member payroll to the Supplemental Benefit Protection Account (the "SBPA"), which was established by statute to provide supplemental payments to beneficiaries whose purchasing power has fallen below 85% of the purchasing power of their initial allowance.

PERS. Classified employees working four or more hours per day are members of the Public Employees' Retirement System ("PERS"). PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the State statutes, as legislatively amended from time to time. PERS operates a number of retirement plans including the Public Employees Retirement Fund ("PERF"). PERF is a multiple-employer defined benefit retirement plan. In addition to the State, employer participants at June 30, 2017 included 1,624 public agencies and 1,366 K-14 school districts and charter schools. PERS acts as the common investment and administrative agent for the member agencies. The State and K-14 school districts (for "classified employees," which generally consist of school employees other than teachers) are required by law to participate in PERF. Employees participating in PERF generally become fully vested in their retirement benefits earned to date after five years of credited service. One of the plans operated by PERS is for K-14 school districts throughout the State (the "Schools Pool").

Contributions by employers to the Schools Pool are based upon an actuarial rate determined annually and contributions by plan members vary based upon their date of hire. The District is currently required to contribute to PERS at an actuarially determined rate, which is 18.062% of eligible salary expenditures or fiscal year 2018-19. Participants enrolled in PERS prior to January 1, 2013 contribute at a rate established by statute, which is 7% of their respective salaries in fiscal year 2017-18 and fiscal year 2018-19, while participants enrolled after January 1, 2013 contribute at an actuarially determined rate, which is 6.5% in fiscal year 2017-18 and will be 7% in fiscal year 2018-19. See "—California Public Employees' Pension Reform Act of 2013" herein.

The District's contribution to PERS was $1,185,845 for fiscal year 2011-12, $1,435,226 for fiscal year 2012-13, $1,439,003 for fiscal year 2013-14, $1,753,636 for fiscal year 2014-15, $1,711,105 in fiscal year 2015-16, $1,905,803 in fiscal year 2016-17 and $2,432,617 in fiscal year 2017-18. The District has budgeted $3,663,900 as its contribution to PERS in fiscal year 2018-19.

State Pension Trusts. Each of STRS and PERS issues a separate comprehensive financial report that includes financial statements and required supplemental information. Copies of such financial reports may be obtained from each of STRS and PERS as follows: (i) STRS, P.O. Box 15275, Sacramento, California 95851-0275; (ii) PERS, P.O. Box 942703, Sacramento, California 94229-2703. Moreover, each of STRS and PERS maintains a website, as follows: (i) STRS: www.calstrs.com; (ii) PERS: www.calpers.ca.gov. However, the information presented in such financial reports or on such websites is not incorporated into this Official Statement by any reference.

Both STRS and PERS have substantial statewide unfunded liabilities. The amount of these unfunded liabilities will vary depending on actuarial assumptions, returns on investments, salary scales and participant contributions. The following table summarizes information regarding the actuarially-determined accrued liability for both STRS and PERS. Actuarial assessments are "forward-looking" information that reflect the judgment of the fiduciaries of the pension plans, and are based upon a variety of assumptions, one or more of which may not materialize or be changed in the future. Actuarial assessments will change with the future experience of the pension plans.

FUNDED STATUS
STRS (Defined Benefit Program) and PERS (Schools Pool)
(Dollar Amounts in Millions) [(1)]
Fiscal Years 2010-11 through 2016-17

STRS

Fiscal Year	Accrued Liability	Value of Trust Assets (MVA)[(2)]	Unfunded Liability (MVA)[(2)]	Value of Trust Assets (AVA)[(3)]	Unfunded Liability (AVA)[(3)]
2010-11	$208,405	$147,140	$68,365	$143,930	$64,475
2011-12	215,189	143,118	80,354	144,232	70,957
2012-13	222,281	157,176	74,374	148,614	73,667
2013-14	231,213	179,749	61,807	158,495	72,718
2014-15	241,753	180,633	72,626	165,553	76,200
2015-16	266,704	177,914	101,586	169,976	96,728
2016-17	286,950	197,718	103,468	179,689	107,261

PERS

Fiscal Year	Accrued Liability	Value of Trust Assets (MVA)	Unfunded Liability (MVA)	Value of Trust Assets (AVA)[(3)]	Unfunded Liability (AVA)[(3)]
2010-11	$58,358	$45,901	$12,457	$51,547	$6,811
2011-12	59,439	44,854	14,585	53,791	5,648
2012-13	61,487	49,482	12,005	56,250	5,237
2013-14	65,600	56,838	8,761	--[(4)]	--[(4)]
2014-15	73,325	56,814	16,511	--[(4)]	--[(4)]
2015-16	77,544	55,785	21,759	--[(4)]	--[(4)]
2016-17	84,416	60,865	23,551	--[(4)]	--[(4)]

(1) Amounts may not add due to rounding.
(2) Reflects market value of assets, including the assets allocated to the SBPA reserve. Since the benefits provided through the SBPA are not a part of the projected benefits included in the actuarial valuations summarized above, the SBPA reserve is subtracted from the STRS Defined Benefit Program assets to arrive at the value of assets available to support benefits included in the respective actuarial valuations.
(3) Reflects actuarial value of assets.
(4) Effective for the June 30, 2014 actuarial valuation, PERS no longer uses an actuarial value of assets.
Source: PERS Schools Pool Actuarial Valuation; STRS Defined Benefit Program Actuarial Valuation.

The STRS Board has sole authority to determine the actuarial assumptions and methods used for the valuation of the STRS Defined Benefit Program. Based on the multi-year CalSTRS Experience Analysis (spanning from July 1, 2010, through June 30, 2015), on February 1, 2017, the STRS Board adopted a new set of actuarial assumptions that reflect member's increasing life expectancies and current economic trends. These new assumptions were first reflected in the STRS Defined Benefit Program Actuarial Valuation, as of June 30, 2016 (the "2016 STRS Actuarial Valuation"). The new actuarial assumptions include, but are not limited to: (i) adopting a generational mortality methodology to reflect past improvements in life expectancies and provide a more dynamic assessment of future life spans, (ii) decreasing the investment rate of return (net of investment and administrative expenses) to 7.25% for the 2016 STRS Actuarial Valuation and 7.00% for the June 30, 2017 actuarial evaluation (the "2017 STRS Actuarial Valuation"), and (iii) decreasing the projected wage growth to 3.50% and the projected inflation rate to 2.75%. The 2017 STRS Actuarial Valuation continues using the Entry Age Normal Actuarial Cost Method.

Based on the change in actuarial assumptions adopted by the STRS Board, including the adoption of a 7% investment rate of return, recent investment experience and the insufficiency of the contributions received in fiscal year 2016-17 to cover interest on the unfunded actuarial obligation, the 2017 STRS Actuarial Valuation reports that the unfunded actuarial obligation increased by $10.6 billion since the June 30, 2016 actuarial valuation and the funded ratio decreased by 1.1% to 62.6% over such time period. As a result, it is currently projected that there will be a need for higher contributions from the State, employers and members in the future to reach full funding by 2046.

According to the 2017 STRS Actuarial Valuation, the future revenues from contributions and appropriations for the STRS Defined Benefit Program are projected to be approximately sufficient to finance its obligations with a projected ending funded ratio in fiscal year ending June 30, 2046 of 99.6%, except for a small portion of the unfunded actuarial obligation related to service accrued on or after July 1, 2014 for member benefits adopted after 1990, for which AB 1469 provides no authority to the STRS Board to adjust rates to pay down that portion of the unfunded actuarial obligation. This finding reflects the scheduled contribution rate increases directed by statute, assumes additional increases in the scheduled contribution rates allowed under the current law will be made, and is based on the valuation assumptions and valuation policy adopted by the STRS Board, including a 7.00% investment rate of return assumption.

In recent years, the PERS Board of Administration (the "PERS Board") has taken several steps, as described below, intended to reduce the amount of the unfunded accrued actuarial liability of its plans, including the Schools Pool.

On March 14, 2012, the PERS Board voted to lower the PERS' rate of expected price inflation and its investment rate of return (net of administrative expenses) (the "PERS Discount Rate") from 7.75% to 7.5%. On February 18, 2014, the PERS Board voted to keep the PERS Discount Rate unchanged at 7.5%. On November 17, 2015, the PERS Board approved a new funding risk mitigation policy to incrementally lower the PERS Discount Rate by establishing a mechanism whereby such rate is reduced by a minimum of 0.05% to a maximum of 0.25% in years when investment returns outperform the existing PERS Discount Rate by at least four percentage points. On December 21, 2016, the PERS Board voted to lower the PERS Discount Rate to 7.0% over a three year phase-in period in accordance with the following schedule: 7.375% in fiscal year 2017-18, 7.25% in fiscal year 2018-19 and 7.00% in fiscal year 2019-20. The new discount rate went into effect July 1, 2017 for the State and July 1, 2018 for K-14 school districts and other public agencies. Lowering the PERS Discount Rate means employers that contract with PERS to administer their pension plans will see increases in their normal costs and unfunded actuarial liabilities. Active members hired after January 1, 2013, under the Reform Act (defined below) will also see their contribution rates rise.

On April 17, 2013, the PERS Board approved new actuarial policies aimed at returning PERS to fully-funded status within 30 years. The policies include a rate smoothing method with a 30-year fixed amortization period for gains and losses, a five-year increase of public agency contribution rates, including the contribution rate at the onset of such amortization period, and a five year reduction of public agency contribution rates at the end of such amortization period. The new actuarial policies were first included in the June 30, 2014 actuarial valuation and were implemented with respect the State, K-14 school districts and all other public agencies in fiscal year 2015-16.

Also, on February 20, 2014, the PERS Board approved new demographic assumptions reflecting (i) expected longer life spans of public agency employees and related increases in costs for the PERS system and (ii) trends of higher rates of retirement for certain public agency employee classes, including police officers and firefighters. The new actuarial assumptions were first reflected in the Schools Pool in the June 30, 2015 actuarial valuation. The increase in liability due to the new assumptions will be amortized over 20 years with increases phased in over five years, beginning with the contribution requirement for fiscal year 2016-17. The new demographic assumptions affect the State, K-14 school districts and all other public agencies.

The PERS Board is required to undertake an experience study every four years under its Actuarial Assumptions Policy and State law. As a result of the most recent experience study, on December 20, 2017, the PERS Board approved new actuarial assumptions, including (i) lowering the inflation rate to 2.625% for the June 30, 2018 actuarial valuation and to 2.50% for the June 30, 2019 actuarial valuation, (ii) lowering the payroll growth rate to 2.875% for the June 30, 2018 actuarial valuation and 2.75% for the June 30, 2019 actuarial valuation, and (iii) certain changes to demographic assumptions relating to the salary scale for most constituent groups, and modifications to the morality, retirement, and disability retirement rates.

On February 14, 2018, the PERS Board approved a new actuarial amortization policy with an effective date for actuarial valuations beginning on or after June 30, 2019, which includes (i) shortening the period over which actuarial gains and losses are amortized from 30 years to 20 years, (ii) requiring that amortization payments for all unfunded accrued liability bases established after the effective date be computed to remain a level dollar amount throughout the amortization period, (iii) removing the 5-year ramp-up and ramp-down on unfunded accrued liability bases attributable to assumptions changes and non-investment gains/losses established on or after the effective date and (iv) removing the 5-year ramp-down on investment gains/losses established after the effective date. While PERS expects that reducing the amortization period for certain sources of unfunded liability will increase future average funding ratios, provide faster recovery of funded status following market downturns, decrease expected cumulative contributions, and mitigate concerns over intergenerational equity, such changes may result in increases in future employer contribution rates.

The Schools Pool Actuarial Valuation as of June 30, 2017, reported that, based on the changes in the discount rate, inflation rate, payroll growth rate and demographic assumptions, along with the expected reductions in normal cost due to the continuing transition of active members from those employees hired prior to the Implementation Date (defined below), to those hired after such date, the projected contribution rate for 2019-20 is projected to be 20.7%, with annual increases thereafter, resulting in a projected 25.5% employer contribution rate for fiscal year 2025-26.

The District can make no representations regarding the future program liabilities of STRS, or whether the District will be required to make additional contributions to STRS in the future above those amounts required under AB 1469. The District can also provide no assurances that the District's required contributions to PERS will not increase in the future.

California Public Employees' Pension Reform Act of 2013. On September 12, 2012, the Governor signed into law the California Public Employees' Pension Reform Act of 2013 (the "Reform Act"), which makes changes to both STRS and PERS, most substantially affecting new employees hired after January 1, 2013 (the "Implementation Date"). For STRS participants hired after the Implementation Date, the Reform Act changes the normal retirement age by increasing the eligibility for the 2% age factor (the age factor is the percent of final compensation to which an employee is entitled for each year of service) from age 60 to 62 and increasing the eligibility of the maximum age factor of 2.4% from age 63 to 65. Similarly, for non-safety PERS participants hired after the Implementation Date, the Reform Act changes the normal retirement age by increasing the eligibility for the 2% age factor from age 55 to 62 and increases the eligibility requirement for the maximum age factor of 2.5% to age 67. Among the other changes to PERS and STRS, the Reform Act also: (i) requires all new participants enrolled in PERS and STRS after the Implementation Date to contribute at least 50% of the total annual normal cost of their pension benefit each year as determined by an actuary, (ii) requires STRS and PERS to determine the final compensation amount for employees based upon the highest annual compensation earnable averaged over a consecutive 36-month period as the basis for calculating retirement benefits for new participants enrolled after the Implementation Date (previously 12 months for STRS members who retire with 25 years of service), and (iii) caps "pensionable compensation" for new participants enrolled after the Implementation Date at 100% of the federal Social Security contribution (to be adjusted annually based on changes to the Consumer Price Index for all Urban Consumers) and benefit base for members participating in Social Security or 120% for members not participating in social security (to be adjusted annually based on changes to the Consumer Price Index for all Urban Consumers), while excluding previously allowed forms of compensation under the formula such as payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off.

GASB Statement Nos. 67 and 68. On June 25, 2012, GASB approved Statements Nos. 67 and 68 ("Statements") with respect to pension accounting and financial reporting standards for state and local governments and pension plans. The new Statements, No. 67 and No. 68, replace GASB Statement No. 27 and most of Statements No. 25 and No. 50. The changes impact the accounting treatment of pension plans in which state and local governments participate. Major changes include: (1) the inclusion of unfunded pension liabilities on the government's balance sheet (currently, such unfunded liabilities are typically included as notes to the government's financial statements); (2) more components of full pension costs being shown as expenses regardless of actual contribution levels; (3) lower actuarial discount rates being required to be used for underfunded plans in certain cases for purposes of the financial statements; (4) closed amortization periods for unfunded liabilities being required to be used for certain purposes of the financial statements; and (5) the difference between expected and actual investment returns being recognized over a closed five-year smoothing period. In addition, according to GASB, Statement No. 68 means that, for pensions within the scope of the Statement, a cost-sharing employer that does not have a special funding situation is required to recognize a net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions and pension expense based on its proportionate share of the net pension liability for benefits provided through the pension plan. Because the accounting standards do not require changes in funding policies, the full extent of the effect of the new standards on the District is not known at this time. The reporting requirements for pension plans took effect for the fiscal year beginning July 1, 2013 and the reporting requirements for government employers, including the District, took effect for the fiscal year beginning July 1, 2014.

The District's share of the net pension liabilities, pension expense and deferred inflow and outflow of resources for STRS and PERS for fiscal year ending June 30, 2018 follows:

	STRS	PERS	Total
Deferred outflows of resources	$10,513,921	$8,459,656	$18,973,577
Deferred inflows of resources	3,062,000	1,790,000	4,852,000
Net Pension Liability	33,024,000	26,284,000	59,308,000
Pension Expense	4,644,543	2,967,803	7,612,346

See also "APPENDIX B – 2017-18 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 9" attached hereto.

Pension Rate Stabilization Program. In fiscal year 2016-17, the District became a member of the PARS Pension Rate Stabilization Program (the "PRSP"). Through the PRSP, community college districts can manage their pension costs through an IRS Section 115 irrevocable trust designed to pre-fund pension costs and offset net pension liabilities. Districts are allowed to set aside funds, separate and apart from STRS and PERS contributions, in a tax-exempt prefunding vehicle to mitigate long-term contribution rate volatility. Such funds are protected from diversion to other uses and may be used to offset contribution rate increases or as an emergency source of funds for pension related costs in the event district revenues are impaired by economic or other conditions. The District made an initial contribution of approximately $4.2 million into a PRSP trust. Pursuant to District Board policy, if the unrestricted general fund reserve is greater than 8% of expenditures, the Assistant Superintendent/Vice President of Administrative Services is authorized to transfer the remaining balance from the current year unrestricted general fund to the PARS Trust account to prefund for pension stabilization in future years, upon approval by the Board.

Other Post-Employment Benefits

Plan Description. The District provides post-retirement health care benefits (the "Benefits") to employees hired prior to 1988 and who retire from the District and meet the specific eligibility requirements set forth in their prospective employment contracts.

The District pays medical and dental insurance premiums to maintain the level of coverage enjoyed by the retiree immediately preceding retirement up until the age of 70 or death of the retiree. Expenditures for post-retirement health care benefits are recognized as the premiums are paid. As of June 30, 2018, 36 retirees meet those eligibility requirements and there are 10 eligible active employees.

Funding Policy. Expenditures for the Benefits are recognized on a "pay as you go basis" covering the cost of premiums paid for current retirees, together with an additional amount to prefund the District's outstanding accrued liability for the Benefits (as discussed herein). During the fiscal year ending June 30, 2014, the District recognized $837,077 of expenditures for the Benefits. During the fiscal year ending June 30, 2015, the District recognized $719,724 of expenditures for the Benefits, excluding a deposit to the Trust described below. During the fiscal year ending June 30, 2016, the District recognized $649,749 of expenditures for the Benefits, excluding a deposit to the Trust described below. During the fiscal year ending June 30, 2017, the District recognized $479,842 of expenditures for the Benefits. During the fiscal year ending June 30, 2018, the District recognized $431,055 of expenditures for the Benefits, excluding a deposit to the Trust described below. For fiscal year ending June 30, 2019, the District has budgeted $455,801 of such expenditures.

In June, 2013, the District established an irrevocable trust (the "Trust") with CalPERS, formally named the California Employers' Retiree Benefit Trust fund, and transferred the $2,164,078 fund balance that was previously held in the District's Retiree Unfunded Medical Benefit Liability Fund. In December 2014, the District contributed an additional $250,000 into the Trust and in fiscal year 2015-16, the District made a deposit of $850,000 into the Trust. As of September 30, 2018, the value of assets in the Trust was $3,310,162. The District has not budgeted a deposit to the Trust for fiscal year 2018-19.

The District took a disbursement of $431,055 from the Trust during fiscal year 2017-18 and has budgeted a disbursement of $455,801 from the Trust for fiscal year 2018-19 to pay for current premiums.

Actuarial Study. The District has implemented *Governmental Accounting Standards Board Statement #74, Financial Reporting for Postemployment Benefit Plans Other Than Pensions* ("GASB 74") and *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"), pursuant to which the District has commissioned and received an actuarial study of its liability with respect to the Benefits. The new GASB statements No. 74 and No. 75 (discussed below) require biennial actuarial valuations for all plans. The actuarial study, dated as of November 30, 2017 (the "Study"), concluded that, as of June 30, 2017, the Total OPEB Liability (the "TOL") with respect to such benefits, was $2,112,685, the Fiduciary Net Position (the "FNP") of the Trust was $3,482,761, and the Net OPEB Liability (the "NOL") was ($1,370,076). The TOL is the amount of the actuarial present value of projected benefits payments attributable to employees' past service based on the actuarial cost method used. The FNP are the net assets (liability) of the qualifying irrevocable trust or equivalent arrangement. The NOL is TOL minus the FNP. For more information regarding the District's other postemployment benefit liability, see "APPENDIX B – 2017-18 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 11 – "Other Postemployment Benefits" herein.

GASB Statement Nos. 74 and 75. On June 2, 2015, GASB approved Statements Nos. 74 and 75 with respect to pension accounting and financial reporting standards for public sector post-retirement benefit programs and the employers that sponsor them. GASB No. 74 replaces GASB Statements No. 43 and 57 and Statement No. 75 replaces GASB Statement No. 45.

Most of GASB Statement No. 74 applies to plans administered through trusts, contributions in which contributions are irrevocable, trust assets are dedicated to providing other post –employment benefits to plan members and trust assets are legally protected from creditors. GASB Statements No. 74 and No. 75 will require a liability for OPEB obligations, known as the net OPEB Liability (NOL), to be recognized on the balance sheet of the plan and the participating employer's financial statements. In addition, an OPEB expense (service cost plus interest on total OPEB liability plus current-period benefit changes minus member contributions minus assumed earning on plan investments plus administrative expenses plus recognition of deferred outflows minus recognition of deferred inflows) will be recognized in the income statement of the participating employers. In the notes to its financial statements, employers providing other post-employment benefits will also have to include information regarding the year-to-year change in the NOL and a sensitivity analysis of the NOL to changes in the discount rate and healthcare trend rate. The required supplementary information will also be required to show a 10-year schedule of the plan's net OPEB liability reconciliation and related ratios, and any actuarially determined contributions and investment returns.

Under GASB Statement No. 74, the measurement date must be the same as the plan's fiscal year end, but the actuarial valuation date may be any date up to 24 months prior to the measurement date. For the total OPEB liability (the TOL), if the valuation date is before the measurement date, the results must be projected forward from the valuation date to the measurement date using standard actuarial roll-forward techniques. For plans that are unfunded or have assets insufficient to cover the projected benefit payments, a discount rate reflecting a 20-year tax-exempt municipal bond yield or index rate must be used. For plans with assets that meet the GASB Statement No. 74 requirements, a projection of the benefit payments and future Fiduciary Net Position (FNP) is performed based on the funding policy and assumptions of the plan, along with the methodology specified in GASB.

GASB No. 74 has an effective date for plan fiscal years beginning after June 15, 2016 and GASB Statement No. 75 will be effective for employer fiscal years beginning after June 15, 2017. The District first recognized GASB No. 74 and GASB No. 75 in their financial statements for fiscal year 2017-18. The full extent of the effect of the new standards on the District is not known at this time. See also "APPENDIX B – 2017-18 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 1 – "Summary of Significant Accounting Policies."

Supplemental Employee Retirement Plan

During the fiscal years ended June 30, 2016 and 2017, the District provided the option of a Supplemental Employee Retirement Plan to the District employees. Employees under the SERP will receive monthly annuity benefits. The District is obligated to pay annual installments for the calculated benefits for employees under the SERP and for the administration of the plan.

The annual requirements to amortize the SERP liability outstanding as of June 30, 2017 are as follows:

Year Ending June 30	
2019	$266,431
Total	$266,431

Source: Marin Community College District.

Risk Management

The District participates in three Joint Powers Agreements ("JPAs"): the Northern California Community College Self-Insurance Authority ("NCCSIA"), the Statewide Association of Community Colleges ("SWACC"), and Schools Association for Excess Risk ("SAFER"). NCCCSIA, SWACC AND SAFER provide property and liability insurance for members. NCCCSIA provides workers' compensation insurance for its liability insurance for its members. The District has contracted with SISC to provide employee medical benefits. The District pays a premium commensurate with the level of coverage requested. Settled claims resulting from these risks have not exceeded insurance coverage on any of the past three years. The relationships between the District, the pools and the JPA's are such that they are not component units of the District for financial reporting purposes. Audited financial statements are available from the respective entities.

See also "APPENDIX B – 2017-18 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 8 – "Risk Management" and Note 13 –"Joint Powers Agreements" herein.

Accounting Practices

The accounting policies of the District conform to generally accepted accounting principles in accordance with policies and procedures of the California Community College Budget and Accounting Manual. This manual, according to Section 84030 of the California Education Code, is to be followed by all California community college districts. The Governmental Accounting Standards Board ("GASB") has released (i) Statement No. 34, which is effective for the District and makes changes in the annual financial statements for all governmental agencies in the United States, especially in recording of fixed assets and their depreciation, and in the way the report itself is formatted, and (ii) Statement No. 35, which is effective for the District and makes changes in the required content and format of annual financial statements for public colleges and universities. Revenues are recognized in the period in which they become both measurable and available to finance expenditures of the current fiscal period. Expenditures are recognized in the period in which the liability is incurred.

District Budgeting

The table on the following page shows the District's general fund budgets for fiscal years 2014-15 through 2018-19, and ending results for fiscal years 2014-15 through 2017-18.

GENERAL FUND BUDGETING[1]
Marin Community College District
Fiscal Years 2014-15 through 2018-19

	Fiscal Year 2014-15		Fiscal Year 2015-16		Fiscal Year 2016-17		Fiscal Year 2017-18		Fiscal Year 2018-19
	Budget[3]	**Actual[1]**	**Budget[1]**	**Actual[1]**	**Budget[1]**	**Actual[1]**	**Budget[1]**	**Actual[1]**	**Budget**
REVENUES:									
Federal	$483,434	$420,742	$535,871	$403,271	$534,771	$367,725	$484,595	$383,279	$465,513
State	5,823,188	5,914,637	9,557,344	9,094,817	9,366,166	8,377,210	10,489,894	9,060,314	11,453,326
Local	54,341,062	51,228,525	57,792,617	54,814,608	60,791,971	57,811,248	63,414,869	60,097,732	66,344,926
TOTAL REVENUES	60,647,684	57,563,904	67,885,832	64,312,696	70,692,908	66,556,183	74,389,358	69,541,325	78,263,765
EXPENDITURES:									
Academic Salaries	19,903,771	19,897,093	23,222,347	23,472,169	23,654,505	23,264,119	24,276,232	24,714,808	25,307,341
Classified Salaries	13,274,678	12,591,029	13,403,770	13,129,568	15,195,011	14,113,023	16,329,170	15,309,879	17,466,500
Employee Benefits	14,593,905	14,201,849	15,605,652	14,961,434	17,049,893	15,694,210	17,182,059	16,849,873	18,225,052
Books and Supplies	2,483,470	798,631	2,490,867	946,454	2,810,220	1,035,056	2,832,403	913,210	3,466,209
Services and Other Operating Expenditures	6,314,152	5,832,917	8,778,361	7,507,133	7,837,936	6,936,118	9,298,517	8,066,234	9,087,193
Capital Outlay	2,709,660	1,474,249	2,858,612	1,496,802	2,882,963	1,193,380	2,743,354	1,406,356	2,900,400
TOTAL EXPENDITURES	59,279,636	54,795,768	66,359,609	61,513,560	69,430,528	62,235,906	72,661,735	67,260,360	76,452,695
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	1,368,048	2,768,136	1,526,223	2,799,136	1,262,380	4,320,277	1,727,623	2,280,965	1,811,070
OTHER FINANCING SOURCES (USES)	509,696	962,956	923,786	497,884	1,208,362	2,568,443	3,791,119	3,453,529	3,224,059
OTHER OUTGO	2,414,129	1,786,984	4,151,523	2,931,769	3,249,511	3,597,534	5,303,987	8,960,405	6,304,363
NET INCREASE (DECREASE) IN FUND BALANCES	(536,385)	1,944,108	(1,701,514)	365,251	(778,769)	3,291,186	214,755	(3,225,911)	(1,269,234)
BEGINNING FUND BALANCE	4,796,123[2]	4,796,123	6,740,231	6,740,231	7,105,482	7,105,482	10,396,668	10,396,668	7,170,757
Prior Year Adjustments	--	--	--	--	--	--	--	--	--
ENDING FUND BALANCE	$4,259,738	$6,740,231	$5,038,717	$7,105,482	$6,326,713	$10,396,668	$10,611,423	$7,170,757	$5,901,523

(1) From the District's CCFS-311 Reports filed with the California Community Colleges Chancellor's Office. Unaudited results for fiscal years 2014-15 through 2017-18 in object-oriented format provided for comparison. For audited results of those fiscal years in revised reporting format, see "MARIN COMMUNITY COLLEGE DISTRICT – Comparative Financial Statements" herein. The 2015-16 Budget reflects updates made after the submission of the CCFS-311 report for such year.

(2) Subsequent to the adoption of the District's 2014-15 Budget and the submission of the Annual Budget and the CCFS-311 Report to the California Community Colleges Chancellor's Office, the District became aware of a potential liability for student financial aid related to periods prior to June 30, 2014, in an amount not in excess of $544,130. The District adopted a revised 2014-15 Budget on March 10, 2015 to reflect this adjustment.

(3) As of the revised 2014-15 Adopted Budget approved by the Board on March 10, 2015.

Source: Marin Community College District.

Comparative Financial Statements

Pursuant to applicable guidance from GASB, the District's financial statements present a comprehensive, entity-wide perspective of the District's assets, liabilities, and cash flows rather than the fund-group perspective previously required. The table below displays the District's revenues, expenses and changes in net position for fiscal years 2013-14 through 2017-18.

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MARIN COMMUNITY COLLEGE DISTRICT
Statement of Total Revenues and Expenditures and Changes in Net Position
Fiscal Years 2013-14 through 2017-18

	Fiscal Year 2013-14	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17	Fiscal Year 2017-18
OPERATING REVENUES					
Tuition and fees	$7,361,256	6,526,952	$6,108,668	$6,059,786	$5,887,129
Less: Scholarship discounts and allowances	(2,398,601)	(2,202,364)	(1,828,314)	(1,708,499)	(1,549,813)
Net tuition and fees	4,962,655	4,324,588	4,280,354	4,351,287	4,337,316
Grant and contracts, non-capital:					
Federal	5,325,292	2,716,322	1,211,473	1,002,828	1,044,428
State and local	3,561,943	4,384,747	5,385,895	6,386,151	6,933,608
TOTAL OPERATING REVENUES	13,849,890	11,425,657	10,877,722	11,740,266	12,315,352
OPERATING EXPENSES					
Salaries and benefits	44,109,884	47,315,912	53,577,656	55,942,308	58,479,447
Supplies, materials and other operating expenses and services	7,635,668	8,212,454	9,707,390	9,346,028	9,116,640
Equipment, maintenance and repairs	123,249	223,886	318,242	470,014	481,325
Student financial aid	11,609,310	7,049,423	4,524,704	3,609,581	4,028,733
Depreciation	6,197,185	5,968,499	7,091,533	8,010,944	8,249,250
TOTAL OPERATING EXPENSES	69,675,296	68,770,174	75,219,525	77,378,875	80,355,395
LOSS FROM OPERATIONS	(55,825,406)	(57,344,517)	(64,341,803)	(65,638,609)	(68,040,043)
NON-OPERATING REVENUES (EXPENSES)					
State apportionment, non-capital	189,074	189,074	233,270	561,383	438,234
Local property taxes	42,271,475	45,241,597	48,603,712	51,679,863	54,196,031
State taxes and other revenues	1,107,158	2,563,002	4,861,528	2,602,103	2,899,257
Pell grants	5,874,748	4,225,848	3,026,485	2,669,685	2,951,382
Investment income	56,463	64,438	51,955	350,161	1,260,702
Interest expense on capital asset-related debt, net	(7,600,460)	(7,332,387)	(7,702,890)	(9,900,824)	(7,890,292)
Other non-operating revenue	2,849,771	2,033,461	(250,823)	1,840,185	498,791
TOTAL NON-OPERATING REVENUES (EXPENSES)	44,748,229	46,985,033	48,823,237	49,802,556	54,354,105
LOSS BEFORE CAPITAL REVENUES	(11,077,177)	(10,359,484)	(15,518,566)	(15,836,053)	(13,685,938)
CAPITAL REVENUES					
Grants and gifts, capital	3,139	--	--	--	--
Property taxes	12,262,462	11,668,526	11,402,608	10,478,821	25,767,862
TOTAL CAPITAL REVENUES	12,265,601	11,668,526	11,402,608	10,478,821	25,767,862
CHANGE IN NET POSITION	1,188,424	1,309,042	(4,115,958)	(5,357,232)	12,081,924
NET POSITION, BEGINNING OF YEAR	36,752,232	37,940,656	(1,453,534)	(5,569,492)	(10,926,724)
Cumulative effect of change in accounting principle	--	(40,703,232) [1]	--	--	(2,303,737)[2]
NET POSITION, BEGINNING OF YEAR, as restated	36,752,232	(2,762,576)	(1,453,534)	(5,569,492)	(13,230,461)
NET POSITION, END OF YEAR	$37,940,656	$(1,453,534)	($5,569,492)	($10,926,724)	($1,148,537)

(1) Restates the beginning net position (restated to recognize the net pension liability, net of related deferred outflows of resources) as a result of the implementation of GASB Statement No. 68. See "- Retirement Programs – GASB Statement Nos. 67 and 68" herein.

(2) Restates the beginning net position as a result of the implementation of GASB Statement No. 75 due to the recognition of the net OPEB liability. See " Other Post-Employment Benefits " and "APPENDIX B – 2017-18 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 1" herein.

Source: Marin Community College District.

District Debt Structure

Long-Term Debt. A schedule of the District's general long-term debt as of June 30, 2018, is shown below:

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
General Obligation Bonds	$313,510,000	$49,405,000	$52,850,000	$310,065,000
Lease Revenue Bonds	2,420,834	7,370,000	100,000	9,690,834
Bond Premium GO Bonds	17,012,466	6,365,082	1,817,302	21,560,246
Bond Premium LR Bonds	--	342,169	3,637	338,532
Net Pension Liability[(1)]	56,811,000	2,497,000	--	59,308,000
Compensated Absences	1,546,091	42,159	--	1,588,250
SERP Liability	625,524	--	359,093	266,431
Note Payable – PG&E	368,632	--	77,916	290,716
Capital Leases Obligations	107,012	198,630	109,008	196,634
	$392,401,559	$66,220,040	$55,316,956	$403,304,643

(1) Reflects the aggregate of the District's proportionate share of the net pension liabilities for the STRS and PERS programs. For fiscal year ending June 30, 2018. See also "MARIN COMMUNITY COLLEGE DISTRICT – Retirement Programs – GASB Statement Nos. 67 and 68". "APPENDIX B – 2017-18 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 9 "Net Pension Liability - State Teachers Retirement Plan" and Note 10 "Net Pension Liability – Public Employer's Retirement Fund B" herein.

Source: Marin Community College District.

Lease Revenue Bonds. In June 2003, the District caused the execution and delivery of the California Community College Financing Authority Lease Revenue Bonds, Series 2003 for Marin Community College District (the "Series 2003 Lease Revenue Bonds"). The District's debt service obligations with respect to the Series 2003 Lease Revenue Bonds are as follows:

Year Ending (May 15)	Annual Principal Payment	Annual Interest Payment	Total Annual Debt Service
2019	$110,000.00	$15,293.76	$125,293.76
2020	125,000.00	10,893.76	135,893.76
2021	135,000.00	5,737.50	140,737.50
2022	177,655.20	278,769.67	456,424.87
2023	174,282.00	296,374.12	470,656.12
2024	172,033.20	316,307.86	488,341.06
2025	169,784.40	336,819.53	506,603.93
2026	166,411.20	355,519.84	521,931.04
2027	164,162.40	377,045.42	541,207.82
2028	161,913.60	399,177.65	561,091.25
2029	159,664.80	421,928.17	581,592.97
2030	154,042.80	435,765.90	589,808.70
2031	149,545.20	452,323.90	601,869.10
2032	151,794.00	490,367.07	642,161.07
2033	149,545.20	515,454.80	665,000.00
Total	$2,320,834.00	$4,707,778.95	$7,028,612.95

Source: Marin Community College District.

In March 2018, the District caused the execution and delivery of the California Community College Financing Authority Lease Revenue Bonds, Series 2018A for Marin Community College District (the "Series 2018A Lease Revenue Bonds"). The District's debt service obligations with respect to the Series 2018A Lease Revenue Bonds are as follows:

Year Ending (May 15)	Annual Principal Payment	Annual Interest Payment	Total Annual Debt Service
2019	$200,000.00	$344,445.32	$544,445.32
2020	275,000.00	271,556.26	546,556.26
2021	285,000.00	260,556.26	545,556.26
2022	295,000.00	249,156.26	544,156.26
2023	310,000.00	237,356.26	547,356.26
2024	325,000.00	221,856.26	546,856.26
2025	340,000.00	205,606.26	545,606.26
2026	360,000.00	188,606.26	548,606.26
2027	375,000.00	170,606.26	545,606.26
2028	395,000.00	151,856.26	546,856.26
2029	415,000.00	132,106.26	547,106.26
2030	425,000.00	120,693.76	545,693.76
2031	440,000.00	107,943.76	547,943.76
2032	450,000.00	94,743.76	544,743.76
2033	465,000.00	80,681.26	545,681.26
2034	480,000.00	66,150.00	546,150.00
2035	495,000.00	50,550.00	545,550.00
2036	510,000.00	34,462.50	544,462.50
2037	530,000.00	17,887.50	547,887.50
Total	$7,370,000.00	$3,006,820.46	$10,376,820.46

Source: Marin Community College District.

2019 Certificates. On January 15, 2019, the District entered into the 2019 Certificates Contract of Purchase with the Underwriter in connection with the public sale of its 2019 Certificates, in an aggregate principal amount of $3,980,000, the net proceeds of which will be used to finance the acquisition and construction of District facilities, including workforce housing. Upon the satisfaction of the terms and conditions contained in the 2019 Certificates Contract of Purchase, the 2019 Certificates are expected to be delivered concurrently with the issuance of the Bonds, on or about February 7, 2019. See "INTRODUCTION—Concurrent Borrowing" herein.

General Obligation Bonds. On November 2, 2004, the voters of the District voted to authorize not-to-exceed $249,500,000 general obligation bonds of the District (the "2004 Authorization"). On April 28, 2005, the District caused the issuance of the first series of bonds pursuant to the Authorization in the aggregate principal amount of $75,000,000 (the "2004 Series A Bonds"). On March 4, 2009, the District caused the issuance of the second series of bonds pursuant to the Authorization in the aggregate principal amount of $75,000,000 (the "2004 Series B Bonds"). On June 1, 2011 the District caused the issuance of the third series of bonds pursuant to the Authorization in the aggregate principal amount of $52,505,000 (the "2004 Series C Bonds"). On December 4, 2012 the District caused the issuance of the fourth series of bonds pursuant to the Authorization in the aggregate principal amount of $46,995,000 (the "2004 Series D Bonds"). Concurrently with the issuance of the Series D Bonds, on December 4, 2012, the District caused the issuance of its 2012 General Obligation Refunding Bonds in the aggregate principal amount of $44,380,000 (the "2012 Refunding Bonds"), the proceeds of which were utilized to advance refund a portion of the District's then-outstanding 2004 Series A Bonds. On June 17, 2015, the District caused the issuance of its 2015 General Obligation Refunding Bonds in the aggregate principal amount of $32,055,000 (the "2015 Refunding Bonds"), the proceeds of which were utilized to advance refund portions of the District's then-outstanding 2004 Series A Bonds and Series B Bonds. On March 16, 2016, the District caused the issuance of its 2016 General Obligation Refunding Bonds in the aggregate principal amount of $40,845,000 (the "2016 Refunding Bonds"), the proceeds of which were utilized to refund portions of the District's then-outstanding Series B Bonds. On December 14, 2017, the District caused the issuance of its 2017 General Obligation Refunding Bonds in the aggregate principal amount of $49,405,000 (the "2017 Refunding Bonds"), the proceeds of which were utilized to refund portions of the District's then-outstanding Series C Bonds.

The 2016 Authorization was approved by voters at an election held on June 7, 2016, at which the requisite 55% or more of the persons voting on the proposition voted to authorize the issuance and sale of $265,000,000 principal amount of general obligation bonds of the District. On December 6, 2016, the District caused the issuance of the first series of bonds pursuant to the 2016 Authorization in the aggregate principal amount of $60,000,000 (the "2016 Series A Bonds"). Concurrently with the issuance of the Series A Bonds, on December 6, 2016, the District caused the issuance of the second series of bonds pursuant to the 2016 Authorization in the aggregate principal amount of $37,500,000 (the "Series A-1 Bonds"). The Series B Bonds are the third issuance and the Series B-1 Bonds are the fourth and final issuance of bonds pursuant to the 2016 Authorization. After the issuance of the Bonds, none of the 2018 Authorization will remain unissued.

The following table summarizes the annual debt service requirements for the District's outstanding general obligation bonds, including the Bonds, and assuming no optional redemptions.

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GENERAL OBLIGATION BONDS – CONSOLIDATED DEBT SERVICE SCHEDULE
Marin Community College District

Period Ending August 1	2004 Series B Bonds	2004 Series C Bonds	2004 Series D Bonds	2012 Refunding Bonds	2015 Refunding Bonds	2016 Refunding Bonds	Series A Bonds	Series A-1 Bonds	2017 Refunding Bonds	Series B Bonds	Series B-1 Bonds	Total Annual Debt Service
2019	$1,464,750.00	$340,050.00	$1,487,500.00	$3,759,200.00	$1,392,650.00	$1,567,425.00	$5,909,437.50	$7,388,762.20	$1,992,450.00			
2020	--	453,650.00	1,487,500.00	4,018,200.00	2,902,650.00	1,567,925.00	2,392,637.50	2,576,620.56	1,992,450.00			
2021	--	572,250.00	1,487,500.00	4,283,200.00	2,947,250.00	1,568,275.00	2,285,837.50	2,654,029.36	1,992,450.00			
2022	--	--	1,487,500.00	4,468,400.00	3,012,650.00	1,565,275.00	2,353,037.50	2,735,178.70	2,582,450.00			
2023	--	--	1,487,500.00	4,656,400.00	3,070,400.00	1,566,975.00	2,422,437.50	2,816,805.90	2,697,950.00			
2024	--	--	1,487,500.00	4,851,600.00	3,135,900.00	1,568,575.00	2,496,687.50	2,900,539.00	2,811,200.00			
2025	--	--	1,487,500.00	5,058,200.00	3,203,400.00	1,570,075.00	2,566,687.50	2,991,343.80	2,916,950.00			
2026	--	--	1,487,500.00	5,270,200.00	3,272,400.00	1,566,075.00	2,642,437.50	3,079,433.40	3,035,200.00			
2027	--	--	1,487,500.00	5,496,800.00	3,343,400.00	1,566,825.00	2,728,437.50	3,169,265.20	3,144,950.00			
2028	--	--	1,487,500.00	5,726,800.00	3,431,200.00	1,567,075.00	2,808,937.50	3,265,686.00	3,246,200.00			
2029	--	--	1,487,500.00	--	9,881,400.00	1,566,825.00	2,888,937.50	3,362,840.00	3,464,400.00			
2030	--	--	9,032,500.00	--	3,531,150.00	1,566,075.00	4,503,187.50	--	3,271,400.00			
2031	--	--	2,966,150.00	--	--	5,304,825.00	4,599,387.50	--	9,708,200.00			
2032	--	--	3,160,000.00	--	--	5,420,700.00	4,732,787.50	--	10,049,800.00			
2033	--	--	3,381,500.00	--	--	5,302,650.00	4,876,587.50	--	10,614,600.00			
2034	--	--	3,589,600.00	--	--	5,418,550.00	5,023,112.50	--	10,987,600.00			
2035	--	--	15,974,450.00	--	--	5,545,175.00	5,173,837.50	--	--			
2036	--	--	16,618,087.50	--	--	5,661,825.00	5,328,637.50	--	--			
2037	--	--	--	--	--	5,783,500.00	5,488,537.50	--	--			
2038	--	--	--	--	--	5,904,675.00	5,655,537.50	--	--			
2039	--	--	--	--	--	--	5,823,937.50	--	--			
2040	--	--	--	--	--	--	5,999,250.00	--	--			
2041	--	--	--	--	--	--	6,178,250.00	--	--			
Total	$1,464,750.00	$1,365,950.00	$71,084,787.50	$47,589,000.00	$43,124,450.00	$63,149,300.00	$94,878,562.50	$36,940,504.12	$74,508,250.00			

Source: Marin Community College District.

Notes Payable – PG&E. In July 2014, the District entered into an On Bill Financing Loan with PG&E with an effective interest rate of 0% and expiring in February 2022. The loan is used as financing for an energy efficiency retrofit.

The annual payments to amortize the PG&E loan outstanding as of June 30, 2018 are as follows:

Year Ending (June 30)	Annual Principal Payment	Annual Interest Payment	Total Annual Debt Service
2018	$77,924	--	$77,924
2019	77,924	--	77,924
2020	77,924	--	77,924
2021	77,924	--	77,924
2022	56,944	--	56,944
Total	$290,716	--	$290,716

Source: Marin Community College District.

TAX MATTERS

Series B Bonds

In the opinion of Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest on the Series B Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest on the Series B Bonds is exempt from State of California personal income tax.

The difference between the issue price of a Series B Bond (the first price at which a substantial amount of the Series B Bonds of the same series and maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Series B Bond (to the extent the redemption price at maturity is greater than the issue price) constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Series B Bond Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by the Series B Bond Owner will increase the Series B Bond Owner's basis in the applicable Series B Bond. In the opinion of Bond Counsel, the amount of original issue discount that accrues to the owner of the Series B Bond is excluded from the gross income of such owner for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, and is exempt from State of California personal income tax.

Bond Counsel's opinion as to the exclusion from gross income of interest (and original issue discount) on the Series B Bonds is based upon certain representations of fact and certifications made by the District and others and is subject to the condition that the District complies with all requirements of the Code, that must be satisfied subsequent to the issuance of the Series B Bonds to assure that interest (and original issue discount) on the Series B Bonds will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause the interest (and original issue discount) on the Series B Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series B Bonds. The District has covenanted to comply with all such requirements.

The amount by which a Series B Bond Owner's original basis for determining loss on sale or exchange in the applicable Series B Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Series B Bond premium, which must be amortized under Section 171 of the Code; such amortizable Series B Bond premium reduces the Series B Bond Owner's basis in the applicable Series B Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Series B Bond premium may result in a Series B Bond Owner realizing a taxable gain when a Series B Bond is sold by the Owner for an amount equal to or less (under certain circumstances) than the original cost of the Series B Bond to the Owner. Purchasers of the Series B Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable Series B Bond premium.

The Internal Revenue Service (the "IRS") has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the Series B Bonds will be selected for audit by the IRS. It is also possible that the market value of the Series B Bonds might be affected as a result of such an audit of the Series B Bonds (or by an audit of similar bonds). No assurance can be given that in the course of an audit, as a result of an audit, or otherwise, Congress or the IRS might not change the Code (or interpretation thereof) subsequent to the issuance of the Series B Bonds to the extent that it adversely affects the exclusion from gross income of interest on the Series B Bonds or their market value.

SUBSEQUENT TO THE ISSUANCE OF THE SERIES B BONDS THERE MIGHT BE FEDERAL, STATE, OR LOCAL STATUTORY CHANGES (OR JUDICIAL OR REGULATORY CHANGES TO OR INTERPRETATIONS OF FEDERAL, STATE, OR LOCAL LAW) THAT AFFECT THE FEDERAL, STATE, OR LOCAL TAX TREATMENT OF THE SERIES B BONDS INCLUDING THE IMPOSITION OF ADDITIONAL FEDERAL INCOME OR STATE TAXES BEING IMPOSED ON OWNERS OF TAX-EXEMPT STATE OR LOCAL OBLIGATIONS, SUCH AS THE SERIES B BONDS. THESE CHANGES COULD ADVERSELY AFFECT THE MARKET VALUE OR LIQUIDITY OF THE SERIES B BONDS. NO ASSURANCE CAN BE GIVEN THAT SUBSEQUENT TO THE ISSUANCE OF THE SERIES B BONDS STATUTORY CHANGES WILL NOT BE INTRODUCED OR ENACTED OR JUDICIAL OR REGULATORY INTERPRETATIONS WILL NOT OCCUR HAVING THE EFFECTS DESCRIBED ABOVE. BEFORE PURCHASING ANY OF THE SERIES B BONDS, ALL POTENTIAL PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING POSSIBLE STATUTORY CHANGES OR JUDICIAL OR REGULATORY CHANGES OR INTERPRETATIONS, AND THEIR COLLATERAL TAX CONSEQUENCES RELATING TO THE SERIES B BONDS.

Bond Counsel's opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. Bond Counsel has not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Resolution and the Tax Certificate relating to the Series B Bonds permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. Bond Counsel expresses no opinion as to the effect on the exclusion from gross income of interest (and original issue discount) on the Series B Bonds for federal income tax purposes with respect to any Series B Bond if any such action is taken or omitted based upon the advice of counsel other than Stradling Yocca Carlson & Rauth.

Although Bond Counsel has rendered an opinion that interest (and original issue discount) on the Series B Bonds is excluded from gross income for federal income tax purposes provided that the District continues to comply with certain requirements of the Code, the ownership of the Series B Bonds and the accrual or receipt of interest (and original issue discount) with respect to the Series B Bonds may otherwise affect the tax liability of certain persons. Bond Counsel expresses no opinion regarding any such tax consequences. Accordingly, before purchasing any of the Series B Bonds, all potential purchasers should consult their tax advisors with respect to collateral tax consequences relating to the Series B Bonds.

A copy of the proposed form of opinion of Bond Counsel for the Series B Bonds is attached hereto as APPENDIX A.

Series B-1 Bonds

In the opinion of Bond Counsel, under existing statutes, regulation, rulings and judicial decisions, interest on the Series B-1 Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Code but is exempt from State of California personal income tax.

Except for certain exceptions, the difference between the issue price of a Series B-1 Bond (the first price at which a substantial amount of the Series B-1 Bonds of the same maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Series B-1 Bond (to the extent the redemption price at maturity is greater than the issue price) constitutes original issue discount. Original issue discount accrues under a constant yield method. The amount of original issue discount deemed received by the Owner of a Series B-1 Bond will increase the Owner's basis in the Series B-1 Bond. Owners of Series B-1 Bonds should consult their own tax advisor with respect to taking into account any original issue discount on the Series B-1 Bonds.

The amount by which a Series B-1 Bond Owner's original basis for determining loss on sale or exchange in the applicable Series B-1 Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable bond premium, which the Owner of a Series B-1 Bond may elect to amortize under Section 171 of the Code. Such amortizable bond premium reduces the Series B-1 Bond Owner's basis in the applicable Series B-1 Bond (and the amount of taxable interest received) and is deductible for federal income tax purposes. The basis reduction as a result of the amortization of Series B-1 Bond premium may result in the Owner of a Series B-1 Bond realizing a taxable gain when a Series B-1 Bond is sold by the Owner for an amount equal to or less (under certain circumstances) than the original cost of the Series B-1 Bond to the Owner. The Owners of the Series B-1 Bonds that have a basis in the Series B-1 Bonds that is greater than the principal amount of the Series B-1 Bonds should consult their own tax advisors with respect to whether or not they should elect to amortize such premium under Section 171 of the Code.

The federal tax and State of California personal income tax discussion set forth above with respect to the Series B-1 Bonds is included for general information only and may not be applicable depending upon a Owner's particular situation. The ownership and disposal of the Series B-1 Bonds and the accrual or receipt of interest with respect to the Series B-1 Bonds may otherwise affect the tax liability of certain persons. Bond Counsel expresses no opinion regarding any such tax consequences.

A copy of the proposed form of opinion of Bond Counsel for the Series B-1 Bonds is attached hereto as APPENDIX A.

LIMITATION ON REMEDIES; BANKRUPTCY

General. State law contains certain safeguards to protect the financial solvency of community college districts. See "FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA" herein. If the safeguards are not successful in preventing a community college district from becoming insolvent, the State Chancellor and the Board of Governors, operating through a special trustee appointed by the State Chancellor, may be authorized under State law to file a petition under Chapter 9 of the United

States Bankruptcy Code (the "Bankruptcy Code") on behalf of the community college district for the adjustment of its debts. In addition, an insolvent community college district may be able to file a petition under Chapter 9 before a special trustee is appointed. Prior to such petition, if any, the community college district is required to participate in a neutral evaluation process with interested parties as provided in the Government Code or declare a fiscal emergency and adopt a resolution by a majority vote of the governing board that includes findings that the financial state of the community college district jeopardizes the health, safety, or well-being of the residents of its jurisdiction or service area absent the protections of Chapter 9.

Bankruptcy courts are courts of equity and as such have broad discretionary powers. If the District were to become the debtor in a proceeding under Chapter 9 of the Bankruptcy Code, the automatic stay provisions of Bankruptcy Code Sections 362 and 922 generally would prohibit creditors from taking any action to collect amounts due from the District or to enforce any obligation of the District related to such amounts due, without consent of the District or authorization of the bankruptcy court (although such stays would not operate to block creditor application of pledged special revenues to payment of indebtedness secured by such revenues). In addition, as part of its plan of adjustment in a chapter 9 bankruptcy case, the District may be able to alter the priority, interest rate, principal amount, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Bonds and other transaction documents related to the Bonds, as long as the bankruptcy court determines that the alterations are fair and equitable. There also may be other possible effects of a bankruptcy of the District that could result in delays or reductions in payments on the Bonds. Moreover, regardless of any specific adverse determinations in any District bankruptcy proceeding, the fact of a District bankruptcy proceeding could have an adverse effect on the liquidity and market price of the Bonds.

Statutory Lien. Pursuant to Section 53515 of the Government Code, the Bonds are secured by a statutory lien on all revenues received pursuant to the levy and collection of the tax, and such lien automatically arises, without the need for any action or authorization by the District or its Board, and is valid and binding from the time the Bonds are executed and delivered. See "THE BONDS – Security and Sources of Payment" herein. Although a statutory lien would not be automatically terminated by the filing of a Chapter 9 bankruptcy petition by the District, the automatic stay provisions of the Bankruptcy Code would apply and payments that become due and owing on the Bonds during the pendency of the Chapter 9 proceeding could be delayed, unless the Bonds are determined to be secured by a pledge of "special revenues" within the meaning of the Bankruptcy Code and the pledged *ad valorem* taxes are applied to pay the Bonds in a manner consistent with the Bankruptcy Code.

Special Revenues. If the *ad valorem* tax revenues that are pledged to the payment of the Bonds are determined to be "special revenues" within the meaning of the Bankruptcy Code, then the application in a manner consistent with the Bankruptcy Code of the pledged *ad valorem* revenues should not be subject to the automatic stay. "Special revenues" are defined to include, among others, taxes specifically levied to finance one or more projects or systems of the debtor, but excluding receipts from general property, sales, or income taxes levied to finance the general purposes of the debtor. State law prohibits the use of the tax proceeds for any purpose other than payment of the Bonds and the Bond proceeds can only be used to fund the acquisition or improvement of real property and other capital expenditures included in the proposition, so such tax revenues appear to fit the definition of special revenues. However, there is no binding judicial precedent dealing with the treatment in bankruptcy proceedings of *ad valorem* tax revenues collected for the payments of bonds in California, so no assurance can be given that a bankruptcy court would not hold otherwise.

Possession of Tax Revenues; Remedies. The County on behalf of the District is expected to be in possession of the annual *ad valorem* property taxes and certain funds to repay the Bonds and may invest these funds in the Marin County Commingled Investment Pool, as described in "THE BONDS – Application and Investment of Bond Proceeds" and "APPENDIX E – MARIN COUNTY COMMINGLED INVESTMENT POOL" attached hereto. If the County goes into bankruptcy and has possession of tax revenues (whether collected before or after commencement of the bankruptcy), and if the County does not voluntarily pay such tax revenues to the owners of the Bonds, it is not entirely clear what procedures the owners of the Bonds would have to follow to attempt to obtain possession of such tax revenues, how much time it would take for such procedures to be completed, or whether such procedures would ultimately be successful. Further, should those investments suffer any losses, there may be delays or reductions in payments on the Bonds.

Opinion of Bond Counsel Qualified by Reference to Bankruptcy, Insolvency and Other Laws Relating to or Affecting Creditor's Rights. The proposed form of the approving opinions of Bond Counsel attached hereto as APPENDIX A are qualified by reference to bankruptcy, insolvency and other laws relating to or affecting creditor's rights. Bankruptcy proceedings, if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

LEGAL MATTERS

Legality for Investment in California

Under provisions of the California Financial Code, the Bonds are legal investments for commercial banks in California to the extent that the Bonds, in the informed opinion of the bank, are prudent for the investment of funds of depositors, and, under provisions of the Government Code of the State, are eligible for security for deposits of public moneys in the State.

Continuing Disclosure

Current Undertaking. In connection with the issuance of the Bonds, the District has covenanted for the benefit of Bondholders (including Beneficial Owners of the Bonds) to provide certain financial information and operating data relating to the District (the "Annual Reports") by not later than nine months following the end of the District's fiscal year (which currently ends June 30), commencing with the report for the 2018-19 fiscal year, and to provide notices of the occurrence of certain Listed Events. The Annual Reports and notices of Listed Events will be filed by the District in accordance with the requirements of S.E.C. Rule 15c2-12(b)(5) (the "Rule"). The specific nature of the information to be contained in the Annual Reports or the notices of Listed Events is included in "APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE FOR THE BONDS" attached hereto. These covenants have been made in order to assist the Underwriter in complying with the Rule.

Prior Undertakings. Within the past five years, the District failed to timely file a portion of its annual report for fiscal year 2014-15 in connection with its outstanding general obligation bonds and Lease Revenue Bonds, as required by its existing continuing disclosure obligations. In addition, the District failed to timely file its annual reports in connection with its Lease Revenue Bonds for fiscal years 2012-13 and 2013-14, failed to timely file a portion of its annual report in connection with its Lease Revenue Bonds for fiscal year 2014-15, and failed to properly associate certain CUISPs with the annual reports filed in connection with its Lease Revenue Bonds for fiscal years 2012-13 and 2013-14, as required by its existing continuing disclosure obligations. Within the past five years, the District also failed to file notices of certain enumerated events, as required by its existing continuing disclosure obligations. In connection with the annual reports described above, within the past five years, the District has never filed a notice of a failure to provide annual financial information, on or before the date specified in its prior continuing disclosure certificates.

Advance of Material Litigation

No litigation is pending or threatened concerning the validity of the Bonds, and a certificate to that effect will be furnished to purchasers at the time of the original delivery of the Bonds. The District is not aware of any litigation pending or threatened questioning the political existence of the District or contesting the District's ability to receive *ad valorem* property taxes or to collect other revenues or contesting the District's ability to issue and retire the Bonds.

Information Reporting Requirements

On May 17, 2006, the President signed the Tax Increase Prevention and Reconciliation Act of 2005 ("TIPRA"). Under Section 6049 of the Internal Revenue Code of 1986, as amended by TIPRA, interest paid on tax-exempt obligations is subject to information reporting in a manner similar to interest paid on taxable obligations. The purpose of this change was to assist in relevant information gathering for the IRS relating to other applicable tax provisions. TIPRA provides that backup withholding may apply to such interest payments to any bondholder who fails to file an accurate Form W-9 or who meets certain other criteria. The information reporting and backup withholding requirements of TIPRA do not affect the excludability of such interest from gross income for federal income tax purposes.

Legal Opinions

The legal opinions of Bond Counsel, approving the validity of the Bonds, will be supplied to the original purchasers thereof without cost. Copies of the proposed forms of such legal opinions for the Bonds is attached to this Official Statement as APPENDIX A.

MISCELLANEOUS

Ratings

Moody's and S&P have assigned ratings of "Aaa" and "AAA", respectively, to the Bonds.

Such ratings reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following addresses: Moody's Investors Service, 7 World Trade Center at 250 Greenwich, New York, New York 10007 and S&P Global Ratings, 55 Water Street, New York, New York 10041. Generally, rating agencies base their ratings on information and materials furnished to them (which may include information and material from the District which is not included in this Official Statement) and on investigations, studies and assumptions by the rating agencies. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the respective rating agency, if in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price for the Bonds.

The District has covenanted in a Continuing Disclosure Certificate to file on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access website ("EMMA") notices of any ratings changes on the Bonds. See "APPENDIX C - FORM OF CONTINUING DISCLOSURE CERTIFICATE FOR THE BONDS" attached hereto. Notwithstanding such covenant, information relating to ratings changes on the Bonds may be publicly available from the rating agencies prior to such information being provided to the District and prior to the date the District is obligated to file a notice of rating change on EMMA. Purchasers of the Bonds are directed to the ratings agencies and their respective websites and official media outlets for the most current ratings changes with respect to the Bonds after the initial issuance of the Bonds.

Financial Statements

The District's audited financial statements with required supplemental information for the year ended June 30, 2018, the independent auditor's report of the District, and the related statements of activities and of cash flows for the year then ended, and the report dated November 28, 2018 of Crowe Horwath LLP (the "Auditor"), are included in this Official Statement as Appendix B. In connection with the inclusion of the financial statements and the report of the Auditor thereon in Appendix B to this Official Statement, the District did not request the Auditor to, and the Auditor has not undertaken to, update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement, and no opinion is expressed by the Auditor with respect to any event subsequent to the date of its report.

Underwriting

The Bonds are being purchased by Piper Jaffray & Co. as underwriter (the "Underwriter"). The Underwriter has agreed to purchase the Series B Bonds at a price of $_____________, which is equal to the initial principal amount of the Series B Bonds of $_____________, plus original issue premium of $_____________, less the Underwriter's discount of $__________. The Underwriter has agreed to purchase the Series B-1 Bonds at a price of $_____________, which is equal to the initial principal amount of the Series B-1 Bonds of $_____________, plus original issue premium of $_____________, less the Underwriter's discount of $__________. The Purchase Contract for the Bonds provides that the Underwriter will purchase all of the Bonds if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in said agreement, the approval of certain legal matters by counsel and certain other conditions.

The Underwriter may offer and sell Bonds to certain dealers and others at prices lower than the offering prices stated on the inside cover. The offering prices may be changed from time to time by the Underwriter.

Underwriter Disclosure. The Underwriter has provided the following information for inclusion in this Official Statement:

Distribution Agreements. Piper Jaffray & Co. has entered into a distribution agreement (the "Schwab Agreement") with Charles Schwab & Co., Inc. ("CS&Co.") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to the Schwab Agreement, CS&Co. will purchase Bonds from Piper Jaffray & Co. at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that CS&Co. sells.

Additional Information

The purpose of this Official Statement is to supply information to prospective buyers of the Bonds. Quotations from and summaries and explanations of the Bonds, the Resolution providing for issuance of the Bonds, and the constitutional provisions, statutes and other documents referenced herein, do not purport to be complete, and reference is made to said documents, constitutional provisions and statutes for full and complete statements of their provisions.

All data contained herein has been taken or constructed from District records. Appropriate District officials, acting in their official capacities, have reviewed this Official Statement and have determined that, as of the date hereof, the information contained herein is, to the best of their knowledge and belief, true and correct in all material respects and does not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made herein, in light of the circumstances under which they were made, not misleading. This Official Statement has been approved by the District.

MARIN COMMUNITY COLLEGE DISTRICT

By:____

Greg Nelson
Assistant Superintendent/Vice President of
Administrative Services

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APPENDIX A

FORM OF OPINIONS OF BOND COUNSEL FOR THE BONDS

Upon the issuance and delivery of the Series B Bonds, Stradling Yocca Carlson & Rauth, a Professional Corporation, Bond Counsel, proposes to render its final approving opinion with respect to the Series B Bonds in substantially the following form:

[Closing Date]

Board of Trustees
Marin Community College District

Members of the Board of Trustees:

We have examined a certified copy of the record of the proceedings relative to the issuance and sale of $__________ Marin Community College District (Marin County, California) Election of 2016 General Obligation Bonds, Series B (the "Bonds"). As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based on our examination as bond counsel of existing law, certified copies of such legal proceedings and such other proofs as we deem necessary to render this opinion, we are of the opinion, as of the date hereof and under existing law, that:

1. Such proceedings and proofs show lawful authority for the issuance and sale of the Bonds pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, and a resolution (the "Resolution") of the Board of Trustees of the Marin Community College District (the "District").

2. The Bonds constitute valid and binding general obligations of the District, payable as to both principal and interest from the proceeds of a levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount.

3. Under existing statutes, regulations, rulings and judicial decisions, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals.

4. Interest on the Bonds is exempt from State of California personal income tax.

5. The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Bonds constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bondowner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a Bondowner will increase the Bondowner's basis in the applicable Bond. Original issue discount that accrues to the Bondowner is excluded from the gross income of such owner for federal income tax purposes, is

not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, and is exempt from State of California personal income tax.

6. The amount by which a Bondowner's original basis for determining loss on sale or exchange in the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Bond premium, which must be amortized under Section 171 of the Internal Revenue Code of 1986, as amended (the "Code"); such amortizable Bond premium reduces the Bondowner's basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in a Bondowner realizing a taxable gain when a Bond is sold by the Bondowner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Bondowner. Purchasers of the Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable Bond premium.

The opinions expressed herein may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Resolution and the Tax Certificate relating to the Bonds permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. No opinion is expressed herein as to the effect on the exclusion from gross income of interest (and original issue discount) for federal income tax purposes with respect to any Bond if any such action is taken or omitted based upon the advice of counsel other than ourselves. Other than expressly stated herein, we express no opinion regarding tax consequences with respect to the Bonds.

The opinions expressed herein as to the exclusion from gross income of interest (and original issue discount) on the Bonds are based upon certain representations of fact and certifications made by the District and others and are subject to the condition that the District complies with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds to assure that such interest (and original issue discount) will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause interest (and original issue discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District has covenanted to comply with all such requirements.

It is possible that subsequent to the issuance of the Bonds there might be federal, state, or local statutory changes (or judicial or regulatory interpretations of federal, state, or local law) that affect the federal, state, or local tax treatment of the Bonds or the market value of the Bonds. No assurance can be given that subsequent to the issuance of the Bonds such changes or interpretations will not occur.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases and by the limitations on legal remedies against public agencies in the State of California.

Respectfully submitted,

Upon issuance of the Series B-1 Bonds, Stradling Yocca Carlson & Rauth, a Professional Corporation, Bond Counsel, proposes to render its final approving opinion with respect to the Series B-1 Bonds in substantially the following form:

[Closing Date]

Board of Trustees
Marin Community College District

Members of the Board of Trustees:

We have examined a certified copy of the record of the proceedings relative to the issuance and sale of $__________ Marin Community College District (Marin County, California) Election of 2016 General Obligation Bonds, Series B-1 (Federally Taxable) (the "Bonds"). As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based on our examination as bond counsel of existing law, certified copies of such legal proceedings and such other proofs as we deem necessary to render this opinion, we are of the opinion, as of the date hereof and under existing law, that:

1. Such proceedings and proofs show lawful authority for the issuance and sale of the Bonds pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, and a resolution (the "Resolution") of the Board of Trustees of the Marin Community College District (the "District").

2. The Bonds constitute valid and binding general obligations of the District, payable as to both principal and interest from the proceeds of a levy of *ad valorem* property taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount.

3. Under existing statutes, regulations, rulings and judicial decisions, interest (and original issue discount) on the Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code").

4. Interest on the Bonds is exempt from State of California personal income tax.

5. Except for certain exceptions, the difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) and the stated payment price at maturity with respect to such Bond constitutes original issue discount. Original issue discount accrues under a constant yield method. The amount of original issue discount deemed received by a Bond owner will increase the Bond owner's basis in the applicable Bond.

Except as expressly set forth in paragraphs (3), (4) and (5), we express no opinion regarding any tax consequences with respect to the Bonds.

The opinions expressed herein are based upon our analysis and interpretation of existing statutes, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities. The opinions expressed herein may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. Our engagement as bond counsel to the District terminates upon the issuance of the Bonds.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases and by the limitations on legal remedies against public agencies in the State of California.

Respectfully submitted,

APPENDIX B

2017-18 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT

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MARIN COMMUNITY COLLEGE DISTRICT

FINANCIAL STATEMENTS
June 30, 2018

MARIN COMMUNITY COLLEGE DISTRICT

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2018

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(Continued)

Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Marin Community College District
Kentfield, California

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and fiduciary activities of Marin Community College District, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Marin Community College District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary activities of Marin Community College District, as of June 30, 2018, and the respective changes in its financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

(Continued)

Emphasis of Matter

As discussed in Note 1 to the financial statements, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 75, "Accounting for Financial Reporting for Postemployment Benefits Other than Pensions". This resulted in a restatement of the District's July 1, 2017 business-type activities net position by $2,303,737 because of the recognition of the net OPEB liability and related deferred outflows of resources. Note disclosures and required supplementary information requirements about OPEB are also discussed. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis* on pages 4 to 15 and the Schedule of Changes in the District's Net Other Postemployment Benefits (OPEB) Liability, the Schedule of Money-Weighted Rate of Return of OPEB Plan Investments, the Schedule of the District's Proportionate Share of the Net Pension Liability, and the Schedule of the District's Contributions on pages 52 to 57 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Marin Community College District's basic financial statements. The accompanying schedule of expenditure of federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and other supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of expenditure of federal awards and other supplementary information as listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information, except for the Organization disclosure, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards and other supplementary information as listed in the table of contents, except for the Organization disclosure, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Organization disclosure has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2018 on our consideration of Marin Community College District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Marin Community College District's internal control over financial reporting and compliance.

Crowe LLP

Crowe LLP

Sacramento, California
November 28, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ending June 30, 2018

Governmental Accounting Standards Board (GASB) Statement 34/35

Marin Community College District (the District) prepares financial reports in accordance with GASB Statements No. 34/35, "*Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities,*" issued in November 1999. The following discussion and analysis provides an overview of the District's financial activities for the fiscal year ended June 30, 2018 and the intent of this discussion and analysis is to look at the District's financial performance as a whole. To provide a complete understanding of the District's financial standing, this analysis should be read in conjunction with the entire Independent Auditor's Report, particularly the District's financial statements beginning on page 16, and the notes to the basic financial statements beginning on page 22

The California Community College Chancellor's Office, through its Fiscal and Accountability Standards Committee, has recommended the Business Type Activity (BTA) model for financial reporting and the District has adopted the BTA reporting model for these financial statements.

As required, the annual report consists of three basic financial statements that provide information on the District as a whole:

- Statement of Net Position
- Statement of Revenues, Expenses and Change in Net Position
- Statement of Cash Flows

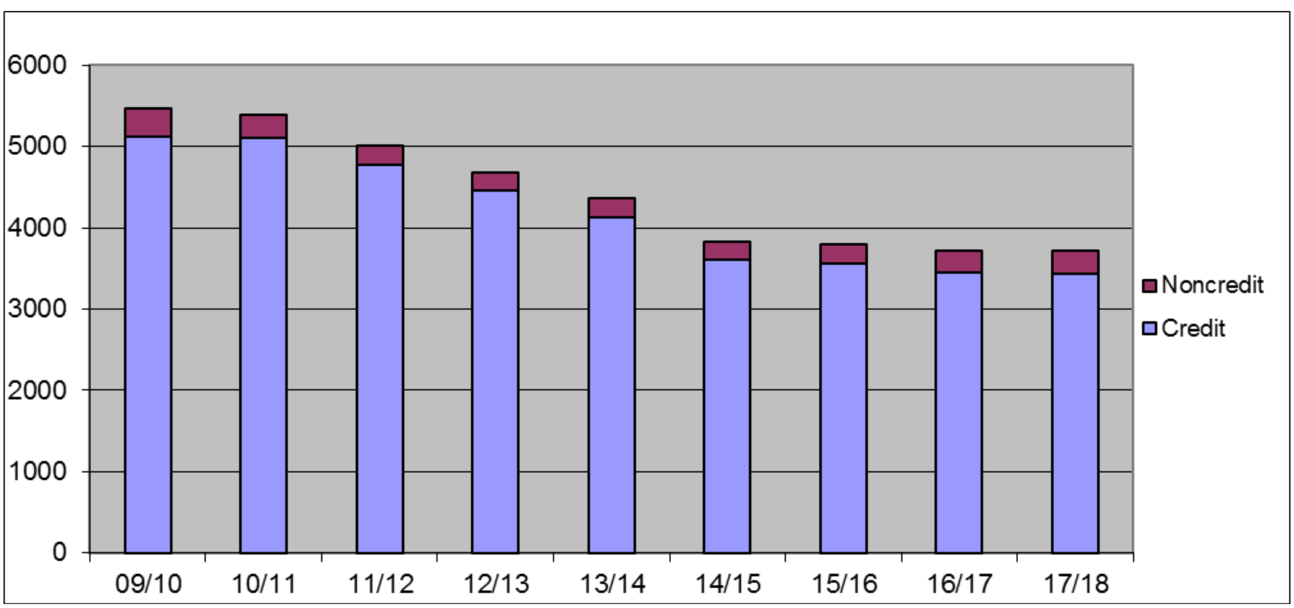
Financial Highlights

- The District continues to maintain its "Basic Aid" (also known as community supported) status because the receipts from local property taxes and enrollment fees exceeded the State's computational revenues under SB 361 for 2017-18 by about $31.1million. SB 361, enacted as part of the 2006 Budget Act, implemented major reforms to improve the equity and transparency of the California Community Colleges funding model. SB 361 further established a funding model that would provide growth funding for credit courses at a uniform rate across the CCC system, thereby ensuring that funding remained equalized in the future. The funding model starts with a college/district's base allocation, but its primary basis for calculating the revenue limit remains the Full-Time Equivalent Students (FTES).

- FTES totaled 3,717 representing no change over the prior fiscal year. The decline in enrollment over the last several years was attributable to a convergence of factors including changes in state policy on course repeatability, implementation of a "pay-as-you-go" policy to reduce the amount of student debt, compliance with federal regulations that allow financial aid only for those students making satisfactory academic progress, and an improved economy.

  Creating strong future enrollment remains a strategic priority for the District. Outreach and marketing efforts are well underway and the result has been to stabilize the declining trend in enrollment. The District has been collaborating with K-12 and business partners to develop new career technical education programs in high-demand fields such as biotechnology, agri-tourism, and information and communication technology. The District's K-12 connections also include expansion of concurrent enrollment opportunities for high school students, including offering select courses at high school sites; the Summer Bridge program which is dramatically reducing the remedial needs of incoming students; and COMPASS (College of Marin Providing Access and Supporting Success).

FTES Statistics
2009/10 – 2017/18



Financial Highlights (continued)

- Fiscal year 2017-18 fund-level net position ended higher than originally budgeted primarily due to the higher fund-level net position from the previous year. Unrestricted revenues were about $0.9 million higher, primarily due to property taxes. Unrestricted expenditures were approximately $4.3 million higher than budget primarily due to a $4.2 million contribution to a pension rate stabilization trust fund that wasn't budgeted. The year ended with the unrestricted fund reserve level at 9.1%.

- Net costs for employee compensation in the unrestricted fund increased 6.1% compared to the prior year actual expenditures. This was primarily attributable to a bargaining unit agreement that was negotiated in 2017-18 causing an increase in faculty salaries due to retroactive payments, as well as previously negotiated increases for other bargaining units. As a result, faculty salaries decreased by 5.6% in 2017-18. Classified salaries increased 7.2% in 2017-18 due to negotiated bargaining unit agreements, step and column increases and fewer vacant positions. Administrators' salaries increased 6.2% due to a salary increase, step and column increases and newly added positions.

- The Board directed funding the retiree healthcare obligation (other post-employment benefits or "OPEB") in advance rather than on the prior "pay as you go" basis. Between Fiscal Years 2005-06 and 2009-10, the District pre-funded the obligation transferring $2,000,000 out of the General Fund into the Retiree Unfunded Medical Benefits Liability Fund. This pre-funding accumulated interest earnings in the amount of $164,078. In June 2013, the District established an irrevocable OPEB trust fund with CalPERS, formally named the California Employers' Retiree Benefit Trust (CERBT) fund, and transferred the $2,164,078 fund balance from the previous Retiree Unfunded Medical Benefits Liability Fund to the irrevocable OPEB Trust fund.

  Subsequently, the District's Board of Trustees approved additional contributions of $250,000 and $850,000 to the irrevocable trust fund. In FY 2016-17 the District began receiving "pay-as-you-go" disbursements from the trust fund for its retiree medical and dental premium payments.

  The District's most recent actuarial report is dated November 30, 2017 with a valuation and measurement date of June 30, 2017. At June 30, 2018, the District's Total OPEB Liability was $2.1 million and the Fiduciary Net Position of the trust was $3.5 million, leaving a Net OPEB Liability of ($1.4) million.

- The District provided Financial Aid to over 8,000 qualifying students in FY 2017-18 translating to about $11.0 million in paid aid. This aid is provided through grants, loans, institutional and outside scholarships, work study from the Federal government, the State, and local funding.

Capital Asset and Debt Administration

- On November 2, 2004 the voters of Marin County overwhelmingly passed Measure C, a $249.5 million bond for facilities maintenance, job training and safety, passing with more than 60 percent of the vote, easily surpassing the required 55 percent. With the bond, the College has been able to modernize science labs, classrooms, and libraries; provide modern computer technology; upgrade fire safety, campus security, disabled access, energy conservation systems and electrical wiring for computer technology; and repair, construct, acquire, and/or equip classrooms, labs, sites and facilities. The College retained the services of Swinerton Management & Consulting, Inc. as its Measure C program and construction management provider through the end of 2012. Beginning January 1, 2013, the College retained Jacobs Project Management Co. to assume the role of program and construction management and to continue to work with the District's faculty, staff and students to implement the Measure C work in accordance with the Facilities Development and Master Plan.

- In April 2005, $75 million in bonds were sold pursuant to the terms of a public sale. An additional $75 million in bonds were sold in February 2009, and another $52.505 million in bonds were sold in June 2011. In December 2012, the balance of the bonds, $46.995 million were sold. All proceeds were delivered to the Marin County Treasury for credit of College of Marin into its building fund.

- The District has taken advantage of low interest rates and refinanced previously-issued general obligation bonds. This refinancing is also known as "refunding." In December 2017, the bond refunding represented a net present value savings to the taxpayers of $5.09 million over the life of the bonds. The District previously closed other bond refundings in March 2016, June 2015 and December 2012, which saved taxpayers approximately $4.29 million, $1.91 million and $6.36 million, respectively, over of the life of the refunded bonds.

- The District's Measure C Capital Improvement and Modernization Program has minimal funding remaining which is expected to be depleted in 2018-19.

- In June 7, 2016, the voters of Marin County overwhelmingly passed Measure B, a $265 million bond. To provide modern, well-maintained educational facilities for our students, Measure B will:

    - Repair and upgrade classrooms, science labs, vocational education facilities and job training centers for 21st-centruy careers in technology, computer and engineering
    - Repair or replace leaking roofs
    - Modernize and update science classrooms and labs
    - Update classrooms and educational facilities to meet current earthquake, fire and safety codes
    - Update campus facilities to provide access for disabled students.

Capital Asset and Debt Administration (continued):

- In November 2016, the District issued $60 million of Series A general obligation bonds that are Federally tax exempt, and $37.5 million of Series A-1 general obligation bonds that are Federally taxable. The College retained the services of Gilbane Management & Consulting, Inc. as its Measure B program and construction management provider, and Ann Kennedy Group to provide financial reporting and bond compliance services.

- In December 2016, $60 million in tax exempt bonds were sold, netted against $280 thousand in issuance and underwriting costs. Issuances were sold pursuant to the terms of a public sale. All proceeds were delivered to the Marin County Treasury for credit of College of Marin into its Measure B, Series A building fund.

- In December 2016, $37.5 million in tax exempt bonds were sold, netted against $287.5 thousand in issuance and underwriting costs. Issuances were sold pursuant to the terms of a public sale. All proceeds were delivered to the Marin County Treasury for credit of College of Marin into its Measure B, Series A-1 fund.

- The District's 2017-18 Measure B Capital Improvement and Modernization Program included the beginning and continuation of previously started projects as follows:

    - Athletic Synthetic Turf Fields (Phase I & II)
    - ADA barrier removal/site improvements
    - Administrative Cluster Upgrades at the Indian Valley Campus
    - Pomo Cluster (Phase I & II)
    - New Miwok Center
    - Organic Farm & Garden
    - Jonas Center & Building 18

- The 2018-19 budget outlines approximately $75 million to continue work on projects that have been initiated, as well as start on several additional projects including:

    - Fusselman Hall Structural & Waterproofing Improvements
    - Maintenance & Operations Building and District Warehouse
    - Fine Arts Building Audio Visual Upgrades
    - Learning Resource Center/Student Services Building
    - Building 27 Exterior Painting

- In March 2018 the District issued $7.37 million of lease revenue bonds to finance solar energy facilities on the Kentfield and Indian Valley campuses.

Statement of Net Position

The Statement of Net Position includes all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector institutions. Net position – the difference between assets and liabilities – is one way to measure the financial health of the District.

NET POSITION
For the Years Ended June 30, 2018 and 2017
(In Thousands)

	2018	2017	% Change
Current Assets			
Cash and Cash Equivalents	$ 19,446	$ 21,618	-10.05%
Other Current Assets	3,125	2,687	16.30%
Total Current Assets	22,571	24,305	-7.13%
Non-Current Assets			
Restricted Cash and Cash Equivalents	94,706	106,130	-10.76%
OPEB Asset	1,370	3,549	-61.40%
Other Long-term Investments	4,159	-	n/a
Capital Assets, Net of Depreciation	272,545	244,090	11.66%
Total Non-Current Assets	372,780	353,769	5.37%
Deferred Outflows of Resources			
Pension	18,974	15,208	24.76%
OPEB	37	-	n/a
Gain on Debt Refunding	13,763	9,850	39.73%
Total Assets and Deferred Outflow	**$ 428,125**	**$ 403,132**	**6.20%**
Current Liabilities			
Accounts Payable and Accrued Liabilities	$ 14,810	$ 12,329	20.12%
Unearned Revenues	6,227	6,023	3.39%
Claims Liability	79	98	-19.39%
Compensated Absences - Current Portion	332	332	0.00%
Premium on General Obligation Bonds	1,420	903	57.25%
Premium on Lease Revenue Bonds	15	-	n/a
Long-Term Liabilities - Current Portion	16,217	3,602	350.22%
Total Current Liabilities	39,100	23,287	67.90%
Non-Current Liabilities			
Long-Term Liabilities	385,322	387,566	-0.58%
Total Liabilities	424,422	410,853	3.30%
Deferred Inflows of Resources			
Pension	4,852	3,206	51.34%
Net Position			
Invested in Capital Assets	14,655	15,178	-3.45%
Restricted	94,820	106,129	-10.66%
Unrestricted	(110,624)	(132,234)	-16.34%
Total Net Position	(1,149)	(10,927)	-89.48%
Total Liabilities and Net Position	**$ 428,125**	**$ 403,132**	**6.20%**

Statement of Net Position (continued)

- The $1.7 million net decrease in "Total Current Assets" is due primarily to the decrease in general fund unrestricted cash.

- The net decrease in restricted cash of $11.4 million relates primarily to the Measure B bond spending.

- The $28.5 million increase in capital assets is primarily the result of capital projects underway for the Measure B bond offset by $8.2 million in depreciation expense. The capitalization threshold is established at $5,000 or higher (original acquisition cost).

- The $2.4 million increase in Accounts Payable and Accrued Liabilities relates to Measure B – accounts payable for projects getting underway.

- The $12.6 million increase in Current Portion of Long-Term Debt is primarily attributable to principal and interest payments due on the General Obligation Bonds.

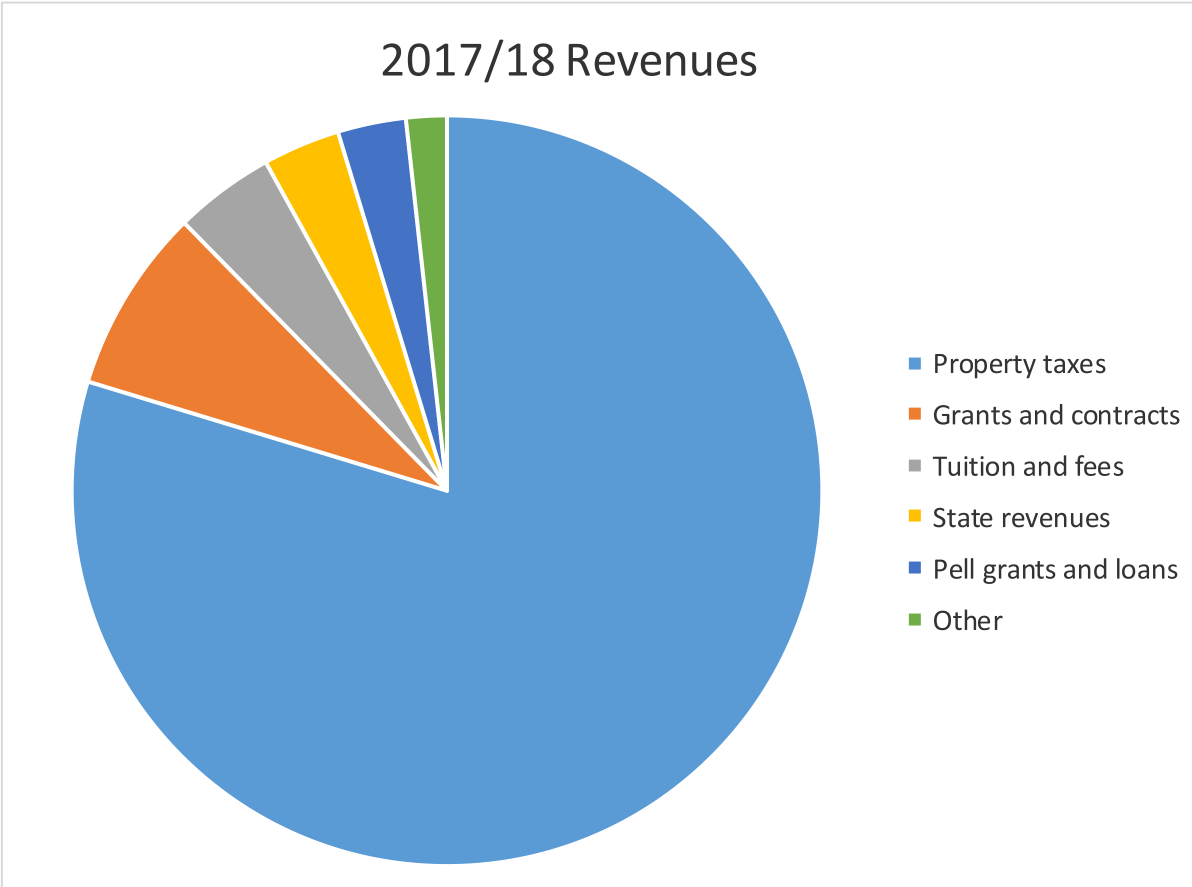
- Net Position includes the value of all capital assets (net of accumulated depreciation).

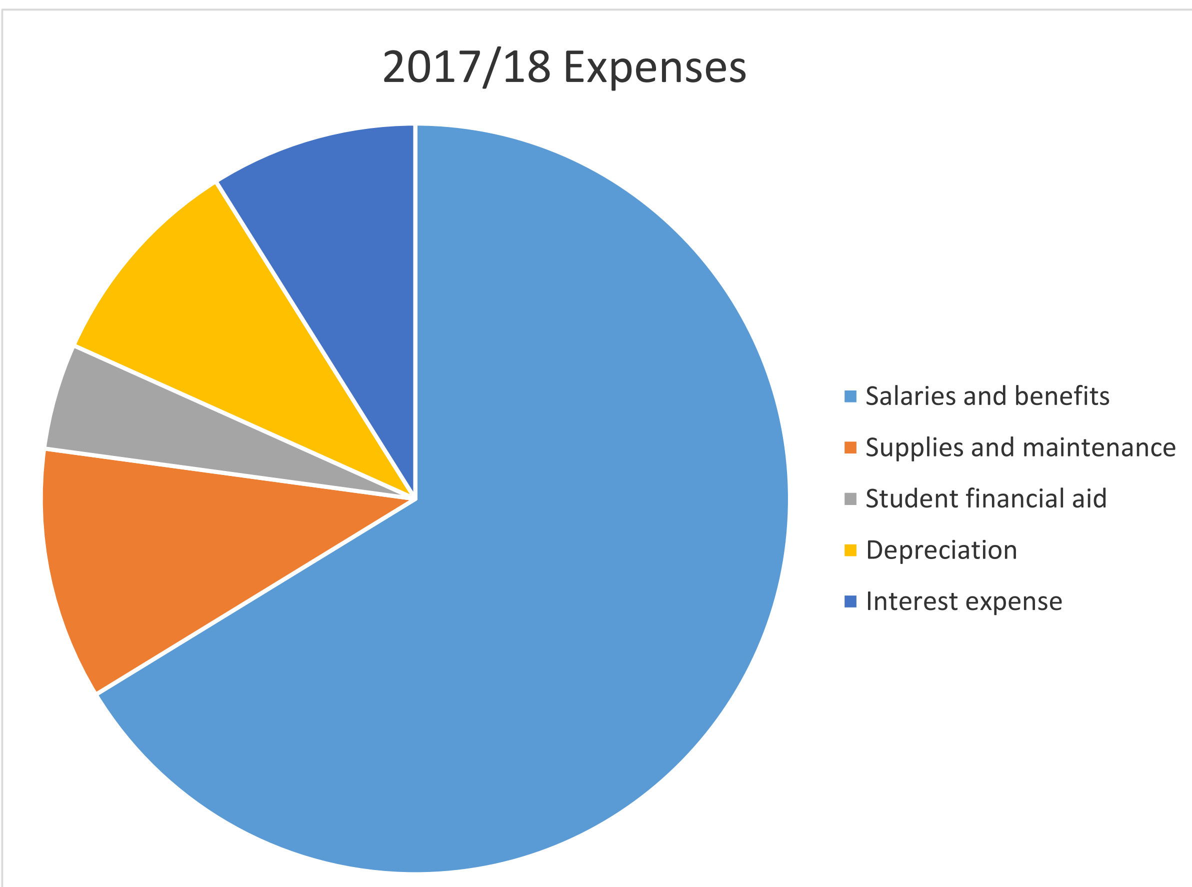
Statement of Revenues, Expenses and Change in Net Position

The Statement of Revenues, Expenses and Change in Net Position presents the operating results of the District, as well as the non-operating revenues and expenses.

Operating Results
For the Years Ended June 30, 2018 and 2017
(In Thousands)

	2018	2017	% Change
Operating Revenues			
Tuition and fees	$ 4,337	$ 4,351	-0.32%
Grants and contracts	7,978	7,389	7.97%
Total Operating Revenues	12,315	11,740	4.90%
Operating Expenses			
Salaries and benefits	58,479	55,942	4.54%
Supplies and maintenance	9,598	9,816	-2.22%
Student Financial Aid	4,029	3,610	11.61%
Depreciation	8,249	8,011	2.97%
Total Operating Expenses	80,355	77,379	3.85%
Loss from Operations	(68,040)	(65,639)	3.66%
Nonoperating Revenues and (Expenses)			
State apportionment	438	561	-21.93%
Property taxes	54,196	51,680	4.87%
State revenues	2,899	2,602	11.41%
Pell grants and direct loans	2,951	2,670	10.52%
Investment income	1,261	350	260.29%
Interest expense on capital asset related debt	(7,890)	(9,901)	-20.31%
Other nonoperating revenues	499	1,840	-72.88%
Total Nonoperating Revenues	54,354	49,802	9.14%
Capital Revenues			
Property taxes	25,768	10,479	145.90%
Change in Net Position	**12,082**	**(5,358)**	**-325.49%**
Net position, July 1, 2017	(10,927)	(5,569)	96.21%
Cumulative effect of GASB 75	(2,304)	-	n/a
Net position, July 1, 2017 as restated	**(13,231)**	**(5,569)**	**137.58%**
Net position, June 30,2018	**$ (1,149)**	**$ (10,927)**	**-89.48%**


2017/18 Revenues
Property taxes
Grants and contracts
Tuition and fees
State revenues
Pell grants and loans
Other


2017/18 Expenses
Salaries and benefits
Supplies and maintenance
Student financial aid
Depreciation
Interest expense

Statement of Revenues, Expenses and Change in Net Position (continued)

- As reported in the Statement of Revenues, Expenses and Change in Net Position on page 17 of this report, the cost of all the District's operational activities this year was $80.4 million, an increase of approximately 3.8% compared to that of the prior year, primarily due to increased salaries and benefits.

- Expenses for 2017-18 included depreciation of the District's plant and equipment of approximately $8.2 million.

- About 72.8% of all operating expenses were directed to salary and benefit costs, compared to 72.3% last year. The STRS "On-Behalf" expenditures were approximately $1.6 million.

- Non-operating revenue and expense increased about $4.6 million primarily due to a $2.5 million increase in property taxes a $2.0 million reduction in interest expense.

- The ad valorem taxes collected in the bond redemption funds was $25.8 million. The ad valorem taxes fluctuate because they are collected based on the need to repay the bond principal and interest.

Statement of Cash Flows

The Statement of Cash Flows provides information about cash receipts and cash payments during the fiscal year. This statement also helps users assess the District's ability to generate net cash flows, its ability to meet its obligations as they come due, and its need for external financing.

For the Years Ended June 30, 2018 and 2017
(In Thousands)

		2018		2017
Cash (used in) provided by:				
Operating activities	$	(60,919)	$	(53,689)
Non-capital financing activities		60,983		59,353
Capital and related financing activities		(10,762)		92,967
Investing activities		1,261		350
Net (decrease) increase in cash		(9,437)		98,981
Cash – beginning of fiscal year		127,748		28,767
Cash – end of fiscal year	**$**	**118,311**	**$**	**127,748**

- Operating activities includes tuition and fees, grants, and operating payments. The decrease in cash used for operating activities is primarily due to the increase in salaries and benefits.

Statement of Cash Flows (continued)

- A consistent significant cash in-flow is in non-capital financing activities which includes property taxes, enrollment fees, State apportionments, and local revenues; property taxes being the largest contributor.
- Capital and related financing activities correlate to bond issuances and redemptions. The District issued $97.5 million in Measure B bonds in 2016-17. Construction projects and capital debt are also reported in capital and related financing activities, and spending is underway in 2017-18.
- Cash flow is adequate for a small district; the District participates in Marin County Treasurer's Office investment pool to maximize interest earnings on excess cash.

Factors That May Affect the Future

- Forecasts for 2018-19 anticipate a 2.0% increase in property taxes with the California Consumer Price Index at 2.962%, offset by escalating salaries and pension costs for a slight increase in fund balance. The District is benefiting from increased state funding (EPA, Prop 39, categorical programs, etc.) and hopes that the state can continue with the increased funding levels. The District has also joined SISC (Self-Insured Schools of California) in an effort to control its health care costs.
- The state of California is changing the funding formula for community college districts in 2018-19 to a more student-centered formula that rewards on equity and success in addition to enrollment. The District does not anticipate the new funding formula will impact revenue since the District will continue to be basic aid (also known as community supported) where revenues are received from local property taxes and enrollment fees rather than the state.
- Pension Reform may help as employees new to the pension systems are required to pay their own share of pension expense. The District has negotiated with the bargaining units so classic CalPERS (California Public Employees' Retirement System) members for whom the District used to pay the employee share of CalPERS have started to pay a portion of the employee share and will pay the full employee portion in 2019. However, CalSTRS (California State Teachers' Retirement System) and CalPERS are both projecting annual increases for several years into the future to help with the unfunded liability of those plans which will increase the cost to the District. The District has also been required to reflect the unfunded liability of STRS and PERS for its employees in the financial statements beginning with the fiscal year ending June 30, 2015 which had and will continue to have a negative impact.

  In 2017-18, the District established a Pension Rate Stabilization Fund to prefund pension obligations. Contributions to the trust are determined by the Board of Trustees and $4.2 million was contributed in 2017-18. Future contributions will be determined by the availability of resources and will likely fluctuate. Contributed funds may also be withdrawn from the trust as needed to assist with paying STRS and PERS pension liabilities.

Factors That May Affect the Future (continued)

- The District contributed funds into an irrevocable trust to fund its postemployment retirement benefits. That trust is fully funded and is now providing disbursements to the District for the "pay as you go" cost of medical benefits for retirees. These disbursements are providing another financing source to the District.

- The District anticipates issuing the remainder of the authorized Measure B funds in 2018-19 to support upcoming capital expenditures. The District also plans to issue Certificates of Participation to acquire and develop low-cost workforce housing.

- The current economy, slight reductions in unemployment, and changes in financial aid regulations and repeatability have caused a decline in enrollment. Also, unemployed workers who came back to school for training in a new vocation or to upgrade their skills have left to seek employment. The District has taken various courses of action with student focused programs to stabilize and improve enrollment.

- 2018-19 reserves are budgeted at 9.1% of General Fund Unrestricted expenditures in the 2017-18 Annual Budget and Financial Report (CCFS 311). The District anticipates maintaining a reserve of 9.0% or higher in compliance with the Board's administrative procedure on reserve fund management.

MARIN COMMUNITY COLLEGE DISTRICT
STATEMENT OF NET POSITION
June 30, 2018

ASSETS	
Current assets:	
Cash and investments (Note 2)	$ 19,446,383
Receivables, net (Note 3)	2,572,901
Prepaid expenses	552,005
Total current assets	22,571,289
Noncurrent assets:	
Restricted cash and investments (Note 2)	98,864,806
OPEB asset (Note 11)	1,370,076
Non-depreciable capital assets (Note 4)	37,669,474
Depreciable capital assets, net (Note 4)	234,875,332
Total noncurrent assets	372,779,688
Total assets	395,350,977
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources - pensions (Notes 9 and 10)	18,973,577
Deferred outflows of resources - OPEB (Note 11)	37,489
Deferred outflows of resources - refunding	13,762,802
Total deferred outflows of resources	32,773,868
Total assets and deferred outflows of resources	$ 428,124,845
LIABILITIES	
Current liabilities:	
Accounts payable	$ 14,810,618
Unearned revenue (Note 5)	6,226,657
Claims liability (Note 8)	79,464
Compensated absences payable - current portion (Note 6)	331,383
Premium on general obligation bonds (Note 6)	1,420,453
Long-term debt - current portion (Note 6)	16,231,419
Total current liabilities	39,099,994
Noncurrent liabilities:	
Compensated absences payable - noncurrent portion (Note 6)	1,256,867
Premium on general obligation bonds (Note 6)	20,463,574
Long-term debt - noncurrent portion (Note 6)	363,600,947
Total noncurrent liabilities	385,321,388
Total liabilities	424,421,382
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - pensions (Notes 9 and 10)	4,852,000
NET POSITION	
Net investment in capital assets	14,655,516
Restricted for:	
Capital projects	70,489,870
Debt service	24,329,887
Unrestricted	(110,623,810)
Total net position	(1,148,537)
Total liabilities, deferred inflows of resources and net position	$ 428,124,845

See accompanying notes to financial statements.

STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
For the Year Ended June 30, 2018

Operating revenues:	
Tuition and fees	$ 5,887,129
Less: scholarship discounts and allowances	(1,549,813)
Net tuition and fees	4,337,316
Grants and contracts, non-capital:	
Federal	1,044,428
State and local	6,933,608
Total operating revenues	12,315,352
Operating expenses:	
Salaries and benefits (Notes 9, 10 and 11)	58,479,447
Supplies, materials, and other operating expenses and services	9,116,640
Equipment, maintenance and repairs	481,325
Student financial aid	4,028,733
Depreciation (Note 4)	8,249,250
Total operating expenses	80,355,395
Loss from operations	(68,040,043)
Non-operating revenues (expenses):	
State apportionment, non-capital	438,234
Local property taxes (Note 7)	54,196,031
State taxes and other revenues	2,899,257
Pell grants	2,951,382
Investment income	1,260,702
Interest expense on capital asset-related debt, net	(7,890,292)
Other non-operating expenses	498,791
Total non-operating revenues (expenses)	54,354,105
Loss before capital revenues	(13,685,938)
Capital revenues:	
Property taxes (Note 7)	25,767,862
Change in net position	12,081,924
Net position, July 1, 2017	(10,926,724)
Cumulative effect of GASB 75 implementation	(2,303,737)
Net position, July 1, 2017, as restated	(13,230,461)
Net position, June 30, 2018	$ (1,148,537)

See accompanying notes to financial statements.

MARIN COMMUNITY COLLEGE DISTRICT
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2018

Cash flows from operating activities:	
Tuition and fees	$ 4,295,788
Federal grants and contracts	1,168,089
State and local grants and contracts	6,590,942
Payments to employees	(58,409,875)
Payments to students, suppliers and vendors	(14,563,635)
Net cash used in operating activities	(60,918,691)
Cash flows from noncapital financing activities:	
State appropriations	438,234
Local property taxes	54,196,031
State taxes and other revenues	2,899,257
Other non-operating revenues	498,791
Pell grants	2,951,382
Net cash provided by noncapital financing activities	60,983,695
Cash flows from capital and related financing activities:	
Local property taxes, capital purposes	25,767,862
Loss on disposal of capital assets	733,732
Principal paid on capital debt	(3,291,924)
Proceeds from issuance of lease revenue bonds	7,370,000
Purchase of capital assets	(30,649,792)
Interest paid on capital debt, net	(10,692,147)
Net cash used in capital and related financing activities	(10,762,269)
Cash flows from investing activities:	
Interest income	1,260,702
Net decrease in cash and investments	(9,436,563)
Cash and investments, beginning of year	127,747,752
Cash and investments, end of year	$ 118,311,189

(Continued)

Reconciliation of loss from operations to net cash used in operating activities:	
Loss from operations	$ (68,040,043)
Adjustments to reconcile loss from operations to net cash used in operating activities:	
Depreciation expense	8,249,250
Changes in assets and liabilities:	
Receivables, net	(515,029)
Prepaid expenses	76,473
Deferred outflows of resources - pension	(3,764,978)
Deferred outflows of resources - OPEB	(37,489)
Accounts payable	(772,735)
Unearned revenue	203,446
Claims liability	(19,033)
SERP liability	(359,093)
Compensated absences	42,159
Net pension liability	2,497,000
Deferred inflows of resources - pension	1,646,000
Other postemployment benefits	(124,619)
Net cash used in operating activities	$ (60,918,691)
Noncash capital and related financing activities:	
Additions to capital assets - increase in accounts payable	$ 3,719,375
Amortization of loss on refunding	1,056,403
Amortization of premiums on capital debt	1,820,939
Refunding debt:	
Deposited with escrow agent	55,425,464
Bond issuance cost	344,618
Proceeds from issuance of refunding debt	55,770,082

See accompanying notes to financial statements.

MARIN COMMUNITY COLLEGE DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2018

	Trust Fund		Agency Funds		
	Scholarship and Loan Trust Fund	Private Purpose Trust Fund	Associated Students of College of Marin	Emeritus Students of College of Marin	Representation Fee Fund
ASSETS					
Cash (Note 2):					
Cash	$ 492,700	$ 1,083,600	$ 371,145	$ 54,270	$ 95,723
Receivables	-	-	22,400	14,747	2,245
Total assets	$ 492,700	$ 1,083,600	$ 393,545	$ 69,069	$ 97,968
LIABILITIES					
Accounts payable	$ 62,360	$ 137	$ 4,252	$ 2,617	$ -
Amount held for others	-	-	389,293	66,400	97,968
Total liabilities	62,360	137	$ 393,545	$ 69,017	$ 97,968
NET POSITION					
Restricted - various purposes	430,340	1,083,463			
Total liabilities and restricted net position	$ 492,700	$ 1,083,600			

See accompanying notes to financial statements.

STATEMENT OF CHANGE IN FIDUCIARY NET POSITION

For the Year Ended June 30, 2018

	Scholarship and Loan Trust Fund	Private Purpose Trust Fund
Additions:		
Contributions	$ 216,593	$ 70,505
Other local sources	3,940	12,998
Total additions	220,533	83,503
Deductions:		
Salaries and benefits	48,687	-
Supplies and materials	-	1,613
Student aid	143,377	-
Total deductions	192,064	1,613
Change in net position	28,469	81,890
Net position - held in trust, July 1, 2017	401,871	1,001,573
Net position - held in trust, June 30, 2018	$ 430,340	$ 1,083,463

See accompanying notes to financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity: Marin Community College District (the "District") is a political subdivision of the State of California and provides educational services to the local residents of the surrounding area. While the District is a political subdivision of the State, it is not a component unit of the State in accordance with the provisions of Governmental Accounting Standards Board (GASB) Codification Section (Cod. Sec.) 2100.101. The District is classified as a state instrumentality under Internal Revenue Code Section 115 and is therefore exempt from federal taxes.

Basis of Presentation and Accounting: For financial reporting purposes, the District is considered a special-purpose government engaged only in business-type activities as defined by GASB. Under this model, the District's financial statements provide a comprehensive entity-wide perspective look at the District's financial position and activities. Accordingly, the District's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when the obligation has been incurred. All significant intra-agency transactions have been eliminated.

Fiduciary funds for which the District acts only as an agent or trustee are not included in the business-type activities of the District. These funds are reported in the Statement of Fiduciary Net Position and the Statement of Change in Fiduciary Net Position at the fund financial statement level.

The District records revenues when earned and expenses when a liability is incurred regardless of the timing of the related cash flow. The budgetary and financial accounts of the District are recorded and maintained in accordance with the Chancellor's Office's *Budget and Accounting Manual.*

Cash and Cash Equivalents: For the purposes of the financial statements, cash equivalents are defined as financial instruments with an original maturity of three months or less. Funds invested in the Marin County Treasury are considered cash equivalents.

Restricted Cash, Cash Equivalents and Investments: Cash that is externally restricted to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital or other noncurrent assets, is classified as non current assets in the statement of net position.

Receivables: Receivables consist of tuition and fee charges to students. Receivables also include amounts due from the federal government, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. The District maintains an allowance for doubtful accounts at an amount which management considers sufficient to fully reserve and provide for the possible uncollectibility of other receivable balances.

Capital Assets: Capital assets are recorded at cost at the date of acquisition or, if donated, at acquisition value at the date of donation. For equipment, the District's capitalization policy included all items with a unit cost of $5,000 or higher, and estimated useful life of greater than one year. Renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 50 years for buildings, 15 years for land improvements, and 5 years for most machinery and equipment.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The District capitalizes interest costs as a component of construction in progress, based on interest costs of borrowing, net of interest earned on investments acquired with the proceeds of the borrowing. At June 30, 2018, the amount of interest expense on capital asset-related debt totaled $7,890,292, which is net of interest capitalized of $2,869,646.

Deferred Outflows/Inflows of Resources: In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s), and as such will not be recognized as an outflow of resources (expense/expenditures) until then. The District has recognized a deferred loss on refunding reported which is in the statement of net position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter life of the refunded or refunding debt. Additionally, the District has recognized a deferred outflow of resources related to the recognition of the pension liability and net OPEB liability reported in the Statement of Net Position.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and as such, will not be recognized as an inflow of resources (revenue) until that time. The District has recognized a deferred inflow of resources related to the recognition of the pension liability reported which is in the Statement of Net Position.

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the State Teachers' Retirement Plan (STRP) and Public Employers Retirement Fund B (PERF B) and additions to/deductions from STRP's and PERF B's fiduciary net position have been determined on the same basis as they are reported by STRP and PERF B. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Certain investments are reported at fair value. The following is a summary of pension amounts in aggregate:

	CalSTRS	CalPERS	Total
Deferred outflows of resources	$ 10,513,921	$ 8,459,656	$ 18,973,577
Deferred inflows of resources	$ 3,062,000	$ 1,790,000	$ 4,852,000
Net pension liability	$ 33,024,000	$ 26,284,000	$ 59,308,000
Pension expense	$ 4,644,543	$ 2,967,803	$ 7,612,346

Compensated Absences: Compensated absence costs are accrued when earned by employees. Accumulated unpaid employee vacation benefits are recognized at year end as liabilities of the District.

Sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expenditure or expense in the period taken since such benefits do not vest nor is payment probable; however, unused sick leave is added to the creditable service period for calculation of retirement benefits for certain California State Teachers Retirement System and California Public Employees' Retirement System, when the employee retires.

Unearned Revenue: Revenue from federal, state and local special projects and programs is recognized when qualified expenditures have been incurred. Other funds, including tuition and student fees, received but not earned are recorded as unearned revenue until earned.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position: The District's net position are classified as follows:

Net investment in capital assets: This represents the District's total investment in capital assets, net of associated outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

Restricted net position: Restricted expendable net position include resources in which the District is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties. Nonexpendable restricted net position consist of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.

The District's scholarship and loan trust fund and private purpose trust fund includes resources held in trust from contributions from various organizations or groups. Amounts held are restricted based on agreements with the various organizations, groups or donors. The funds are restricted primarily for Emeritus, nursing, and EOPS scholarships, however there are also general and performing arts scholarships.

Unrestricted net position: Unrestricted net position represent resources derived from student tuition and fees, State apportionments, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the District, and may be used at the discretion of the governing board to meet current expenses for any purpose.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the District typically first applies the expense toward restricted resources, then to unrestricted resources. This practice ensures fully utilizing restricted funding each fiscal year.

Risk Management: As more fully described in Note 8, the District is partially self-insured with regard to dental and vision claims and certain other risks. The amount of the outstanding liability at June 30, 2018 for dental and vision claims includes estimates of future claim payments for known cases as well as provisions for incurred but not reported claims and adverse development on known cases which occurred through that date. Outstanding claims which are expected to become due and payable within the subsequent fiscal year are reflected as a claims liability on the District's Statement of Net Position.

State Apportionments: Certain current year apportionments from the state are based on various financial and statistical information of the previous year. Any prior year corrections due to the recalculation will be recorded in the year completed by the State.

Classification of Revenues and Expenses: The District has classified its revenues as either operating or nonoperating revenues. Certain significant revenue streams relied upon for operations are recorded as nonoperating revenues, as defined by GASB Cod. Sec. C05.101 including State appropriations, local property taxes, Pell grants and investment income. Nearly all the District's expenses are from exchange transactions. Revenues and expenses are classified according to the following criteria:

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Operating revenues and expenses: Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances, and (2) most Federal, State and local grants and contracts and Federal appropriations. All expenses are considered operating expenses except for interest expense on capital related debt.

Nonoperating revenues and expenses - Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as gifts and contributions, and other revenue sources described in GASB Cod. Sec. C05.101, such as State appropriations, Pell grants and investment income. Interest expense on capital related debt is the only nonoperating expense.

Scholarship Discounts and Allowances: Student tuition and fee revenue are reported net of scholarship discounts and allowances in the statement of revenues, expenses and change in net position. Scholarship discounts and allowances represent the difference between stated charges for goods and services provided by the District and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, and other federal, state and nongovernmental programs, are recorded as operating revenues, while Federal Pell Grants are classified as non-operating revenues in the District's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the District has recorded a scholarship discount and allowance.

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Accordingly, actual results may differ from those estimates.

New Accounting Pronouncement: In June 2015, the Government Accounting Standards Board (GASB) issued GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions. This Statement improves accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The provisions in GASB Statement No. 75 are effective for fiscal years beginning after June 15, 2017. Based on the implementation of Statement No. 75, the District's July 1, 2017 business-type activities net position was restated by $2,303,737 because of the recognition of the net OPEB liability.

(Continued)

NOTE 2 - CASH AND INVESTMENTS

District cash and investments at June 30, 2018, consisted of the following:

	District	Agency Funds	Trust Funds
Pooled Funds:			
Cash in County Treasury	$112,236,795	$ -	$ 1,536,716
Deposits:			
Cash on hand and in banks	1,681,696	521,138	39,584
Revolving fund	20,000	-	-
Cash held by Fiscal Agent	213,843	-	-
Investments	4,158,855	-	-
Total cash and investments	118,311,189	521,138	1,576,300
Less: restricted cash and investments	(98,864,806)	-	-
Net cash and investments	$ 19,446,383	$ 521,138	$ 1,576,300

Cash in County Treasury: In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the Marin County Treasurer's Investment Fund. The District is considered to be an involuntary participant in an external investment pool. The fair value of the District's investment in the pool is reported in the financial statements at amounts based upon the District's pro-rata share of the fair value by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

Because the District's deposits are maintained in a recognized pooled investment fund under the care of a third party and the District's share of the pool does not consist of specific, identifiable investment securities owned by the District, no disclosure of the individual deposits and investments or related custodial risk classifications is required.

The District's deposits in the fund are considered to be highly liquid. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool. The Marin County Treasurer has indicated that there are no derivatives in the pool as of June 30, 2018.

Restricted Cash and Investments: Restricted cash of $94,705,951 represents amounts held in the District's name with third party custodians for future construction projects and repayment of long-term liabilities.

Restricted investments of $4,158,855 represents amounts held in the District's name with third party custodians in a multiple employer trust arrangement to fund the District's pension obligation.

Custodial Credit Risk: The California Government Code requires California banks and savings and loan associations to secure the District's deposits by pledging government securities as collateral. The fair value of pledged securities must equal 110 percent of an agency's deposits. California law also allows financial institutions to secure an agency's deposits by pledging first trust deed mortgage notes having a value of 150 percent of an agency's total deposits and collateral is considered to be held in the name of the District. All cash held by financial institutions is entirely insured or collateralized.

(Continued)

NOTE 2 - CASH AND INVESTMENTS (Continued)

The District limits custodial credit risk by ensuring uninsured balances are collateralized by the respective financial institution. Cash balances held in banks are insured up to $250,000 by the Federal Deposit Insurance Corporation (FDIC) and are collateralized by the respective financial institution. At June 30, 2018, the carrying amount of the District's accounts was $2,476,261 and the bank balance was $2,434,850. At June 30, 2018, $621,770 of the bank balance was FDIC insured and $1,813,080 remained uninsured.

Credit Risk: Under provision of the District's policies and in accordance with Sections 53601 and 53602 of the California Government code, the District may invest in the following types of investments:

- Local agency bonds, notes or warrants within the state
- Securities of the U.S. Government or its agencies
- Certificates of Deposit with commercial banks
- Commercial paper
- Repurchase Agreements

Interest Rate Risk: The District's investment policies do not limit cash and investment maturities as a means of managing their exposure to fair value losses arising from increasing interest rates. At June 30, 2018, the District had no significant interest rate risk related to cash and investments held.

Concentration of Credit Risk: The District does not place limits on the amount they may invest in any one issuer. At June 30, 2018, the District and Trust had no concentration of credit risk.

Fair Value Measurements: The following presents information about the District's assets and liabilities measured at fair value on a recurring basis as of June 30, 2018, and indicates the fair value hierarchy of the valuation techniques utilized by the District to determine such fair value based on the hierarchy:

Level 1 - Quoted market prices for identical instruments traded in active exchange markets.

Level 2 - Significant other observable inputs such as quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable or can be corroborated by observable market data.

Level 3 - Significant unobservable inputs that reflect a reporting entity's own assumptions about the methods that market participants would use in pricing an asset or liability.

There were no changes in the valuation techniques used during the year ended June 30, 2018. There were no transfers of assets between the fair value levels for the year ended June 30, 2018.

The District is required or permitted to record the following assets at fair value on a recurring basis:

Description	Fair value	Level 1	Level 2	Level 3
Investment securities:				
Mutual funds	$ 4,158,855	$ 4,158,855	$ -	$ -

NOTE 3 - RECEIVABLES

Receivables at June 30, 2018 are summarized as follows:

Federal	$ 206,516
State	483,284
Local and other	2,710,187
	3,399,987
Less allowance for doubtful accounts	(827,086)
	$ 2,572,901

NOTE 4 - CAPITAL ASSETS

Capital asset activity consists of the following:

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
Non-depreciable:				
Land	$ 3,119,170	$ -	$ -	$ 3,119,170
Construction in progress	3,011,283	31,539,021	-	34,550,304
Depreciable:				
Land improvements	29,888,146	2,706,910	-	32,595,056
Building improvements	249,963,470	82,529	(1,454,702)	248,591,297
Machinery and equipment	19,858,001	3,108,983	(1,182,837)	21,784,147
Total	305,840,070	37,437,443	(2,637,539)	340,639,974
Less accumulated depreciation:				
Land improvements	9,829,289	1,287,877	-	11,117,166
Building improvements	41,803,491	5,269,841	(727,124)	46,346,208
Machinery and equipment	10,116,945	1,691,532	(1,176,683)	10,631,794
Total	61,749,725	8,249,250	(1,903,807)	68,095,168
Capital assets, net	$244,090,345	$ 29,188,193	$ (733,732)	$272,544,806

At June 30, 2018, the District had capital assets acquired from capital leases with an original cost of $337,224 and accumulated depreciation totaling $149,509.

NOTE 5 - UNEARNED REVENUE

Unearned revenue for the District consisted of the following:

Unearned Federal and State revenue	$ 2,614,309
Unearned tuition and student fees	1,226,284
Unearned local revenue	2,386,064
Total unearned revenue	$ 6,226,657

(Continued)

NOTE 6 - LONG-TERM LIABILITIES

In March 2009, the District issued Series B, 2004 General Obligation Bonds aggregating $75,000,000. The bonds mature through August 2019 and bear interest at rates ranging from 3% to 5%. The proceeds from the issuance will be used to finance the acquisition, construction and modernization of certain District property and facilities. Resulting from the bond issuance, the District received a premium of $1,982,513 and paid issuance costs of $1,148,198. The premium is amortized over the life of the bond repayment. At June 30, 2018, the District has unamortized premiums of $45,024.

The annual payments required to amortize the Series B, 2004 General Obligation Bonds outstanding as of June 30, 2018, are as follows:

Year Ending June 30,	Principal	Interest	Total
2019	$ 1,285,000	$ 101,875	$ 1,386,875
2020	1,395,000	34,875	1,429,875
	$ 2,680,000	$ 136,750	$ 2,816,750

In May 2011, the District issued Series C, 2004 General Obligation Bonds aggregating $52,505,000. The bonds mature through August 2021 and bear interest at rates ranging from 3% to 5%. The proceeds from the issuance will be used to finance the acquisition, construction and modernization of certain District property and facilities. Resulting from the bond issuance, the District received a premium of $767,032 and paid issuance costs of $285,719. The premium is amortized over the life of the bond repayment. At June 30, 2018, the District has unamortized premiums of $19,089.

Year Ending June 30,	Principal	Interest	Total
2019	$ 35,000	$ 55,750	$ 90,750
2020	285,000	49,350	334,350
2021	410,000	35,450	445,450
2022	545,000	13,625	558,625
	$ 1,275,000	$ 154,175	$ 1,429,175

In November 2012, the District issued Series D, 2004 General Obligation Bonds aggregating $46,995,000. The bonds mature through August 2036 and bear interest at rates ranging from 3% to 3.25%. The proceeds from the issuance will be used to finance the acquisition, construction and modernization of certain District property and facilities and pay the costs of issuing Series D Bonds. Resulting from the bond issuance, the District received a premium of $401,662 and paid issuance costs of $120,809. The premium is amortized over the life of the bond repayment. At June 30, 2018, the District has unamortized premiums of $335,000.

(Continued)

NOTE 6 - LONG-TERM LIABILITIES (Continued)

Year Ending June 30,	Principal	Interest	Total
2019	$ -	$ 1,487,500	$ 1,487,500
2020	-	1,487,500	1,487,500
2021	-	1,487,500	1,487,500
2022	-	1,487,500	1,487,500
2023	-	1,487,500	1,487,500
2024-2028	-	7,437,500	7,437,500
2029-2033	11,200,000	6,765,650	17,965,650
2034-2037	35,795,000	3,192,888	38,987,888
	$ 46,995,000	$ 24,833,538	$ 71,828,538

In November 2012, the District issued 2012 General Obligation Refunding Bonds aggregating $44,380,000. The bonds mature through August 2028 and bear interest at rates ranging from 2.5% to 4%. The proceeds from the issuance will be used to advance refund a portion of the District's outstanding Election 2004 General Obligation Bonds, Series A and pay the cost of issuing the Refunding Bonds. Resulting from the bond issuance, the District received a premium of $7,445,473 and paid issuance costs of $425,765. The premium is amortized over the life of the bond repayment. At June 30, 2018, the District has unamortized premiums of $5,467,889.

The annual payments required to amortize the 2012 General Obligation Refunding Bonds as of June 30, 2018, are as follows:

Year Ending June 30,	Principal	Interest	Total
2019	$ 1,945,000	$ 1,523,100	$ 3,468,100
2020	2,275,000	1,438,700	3,713,700
2021	2,625,000	1,340,700	3,965,700
2022	2,995,000	1,228,300	4,223,300
2023	3,300,000	1,102,400	4,402,400
2024-2028	21,740,000	3,158,400	24,898,400
2029	5,560,000	83,400	5,643,400
	$ 40,440,000	$ 9,875,000	$ 50,315,000

During the year ended June 30, 2015, the District issued $32,055,000 of 2015 General Obligation Refunding Bonds. The current interest bonds bear interest at rates of 2.00% to 5.00%, maturing August 1, 2030. Proceeds were used to advance refund a portion of the outstanding 2004 Series A and B General Obligation Bonds and to pay the costs of issuing the 2015 Refunding Bonds. At June 30, 2018, $25,445,000 of bonds outstanding are considered defeased.

At June 30, 2018, the District has unamortized premiums of $3,689,274.

(Continued)

NOTE 6 - LONG-TERM LIABILITIES (Continued)

The annual payments required to amortize the 2015 General Obligation Refunding Bonds outstanding as of June 30, 2018, are as follows:

Year Ending June 30,	Principal	Interest	Total
2019	$ -	$ 1,392,650	$ 1,392,650
2020	-	1,392,650	1,392,650
2021	1,510,000	1,362,450	2,872,450
2022	1,615,000	1,299,950	2,914,950
2023	1,745,000	1,224,025	2,969,025
2024-2028	11,115,000	4,663,400	15,778,400
2029-2033	15,470,000	1,030,650	16,500,650
	$ 31,455,000	$ 12,365,775	$ 43,820,775

In February 2016, the District issued $40,845,000 of 2016 General Obligation Refunding Bonds. The current interest bonds bear interest at rates of 2.00% to 5.00%, maturing August 1, 2038. At June 30, 2018, the District has unamortized premiums of $1,942,418.

The annual payments required to amortize the 2016 General Obligation Refunding Bonds outstanding as of June 30, 2018, are as follows:

Year Ending June 30,	Principal	Interest	Total
2019	$ 140,000	$ 1,419,525	$ 1,559,525
2020	150,000	1,415,175	1,565,175
2021	155,000	1,410,600	1,565,600
2022	160,000	1,404,275	1,564,275
2023	165,000	1,398,625	1,563,625
2024-2028	905,000	6,916,075	7,821,075
2029-2033	8,850,000	6,415,788	15,265,788
2034-2038	24,085,000	3,205,212	27,290,212
2039	5,705,000	99,838	5,804,838
	$ 40,315,000	$ 23,685,113	$ 64,000,113

Defeasance of Debt: The District defeased certain General Obligation Bonds by placing proceeds of the new General Obligation Refunding Bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liability for the defeased bonds are not included in the District's financial statements. At June 30, 2018, $37,500,000 of bonds outstanding are considered defeased.

NOTE 6 - LONG-TERM LIABILITIES (Continued)

In November 2016, the District issued Election of 2016 General Obligation Bonds, Series A (Federally Tax-Exempt) aggregating $60,000,000. The bonds mature through August 2041 and bear interest at rates ranging from 3% to 5%. The proceeds from the issuance will be used to finance the acquisition, construction, modernization and equipping of District sites and facilities and pay the costs of issuing Series A Bonds. At June 30, 2018, the District has unamortized premiums of $3,482,380.

Year Ending June 30,	Principal	Interest	Total
2019	$ 4,870,000	$ 2,461,838	$ 7,331,838
2020	3,545,000	2,293,538	5,838,538
2021	170,000	2,219,238	2,389,238
2022	70,000	2,214,438	2,284,438
2023	140,000	2,210,238	2,350,238
2024-2028	1,970,000	10,837,437	12,807,437
2029-2033	9,555,000	9,779,562	19,334,562
2034-2038	18,660,000	6,870,187	25,530,187
2039-2042	21,020,000	2,141,706	23,161,706
	$ 60,000,000	$ 41,028,182	$ 101,028,182

In November 2016, the District issued Election of 2016 General Obligation Bonds, Series A-1 (Federally Taxable) aggregating $37,500,000. The bonds mature through August 2029 and bear interest at rates ranging from 1.296% to 3.472%. The proceeds from the issuance will be used to finance the acquisition, construction, modernization and equipping of District sites and facilities and pay the costs of issuing Series A Bonds. At June 30, 2018, the District has unamortized premiums of $543,647.

Year Ending June 30,	Principal	Interest	Total
2019	$ 6,140,000	$ 883,549	$ 7,023,549
2020	6,545,000	790,191	7,335,191
2021	1,840,000	717,825	2,557,825
2022	1,955,000	677,104	2,632,104
2023	2,080,000	628,492	2,708,492
2024-2028	12,640,000	2,124,328	14,764,328
2029-2030	6,300,000	220,683	6,520,683
	$ 37,500,000	$ 6,042,172	$ 43,542,172

NOTE 6 - LONG-TERM LIABILITIES (Continued)

During the year ended June 30, 2018, the District issued $49,405,000 of 2017 General Obligation Refunding Bonds. The current interest bonds bear interest at rates of 2.00% to 5.00%, maturing August 1, 2034. Proceeds were used to advance refund a portion of the outstanding 2004 Series C General Obligation Bonds and to pay the costs of issuing the 2017 Refunding Bonds. At June 30, 2018, the District has unamortized premiums of $6,035,525.

The annual payments required to amortize the 2017 General Obligation Refunding Bonds outstanding as of June 30, 2018, are as follows:

Year Ending June 30,	Principal	Interest	Total
2019	$ 1,050,000	$ 2,002,950	$ 3,052,950
2020	-	1,992,450	1,992,450
2021	-	1,992,450	1,992,450
2022	-	1,992,450	1,992,450
2023	590,000	1,977,700	2,567,700
2024-2028	5,235,000	9,240,375	14,475,375
2029-2033	22,165,000	7,131,700	29,296,700
2034-2035	20,365,000	829,900	21,194,900
	$ 49,405,000	$ 27,159,975	$ 76,564,975

Defeasance of Debt: The District defeased certain General Obligation Bonds by placing proceeds of the new General Obligation Refunding Bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liability for the defeased bonds are not included in the District's financial statements. On June 30, 2018, $49,845,000 of bonds outstanding are considered defeased.

Calculation of Difference in Cash Flow Requirements and Economic Gain

Cash Flow Difference	
Old debt service cash flows	$ 83,177,863
New debt service cash flows	76,827,842
	$ 6,350,021

Economic Gain: The economic gain or difference between the present value of the old debt service requirements and the present value of the new debt service requirements, discounted at the effective interest rate is $5,090,581.

There was no accrued interest or sinking fund resources related to the new debt proceeds.

(Continued)

NOTE 6 - LONG-TERM LIABILITIES (Continued)

Lease Revenue Bonds: In June 2003, the District issued $3,070,834 of Lease Revenue Bonds with effective interest rates ranging from 2.0% to 4.25% and maturing through May 2033. The bond proceeds are being used to fund various capital improvement projects throughout the District.

The annual payments required to amortize the 2003 Lease Revenue Bonds outstanding as of June 30, 2018, are as follows:

Year Ending June 30,	Principal	Interest	Total
2019	$ 110,000	$ 15,294	$ 125,294
2020	125,000	10,894	135,894
2021	135,000	5,738	140,738
2022	177,655	278,770	456,425
2023	174,282	296,374	470,656
2024-2028	834,305	1,784,870	2,619,175
2029-2033	764,592	2,315,840	3,080,432
	$ 2,320,834	$ 4,707,780	$ 7,028,614

In March 2018, the District issued $7,370,000 of Lease Revenue Bonds with effective interest rates ranging from 2.0% to 5.0% and maturing through May 2037. The bond proceeds are being used to fund various capital improvement projects throughout the District.

The annual payments required to amortize the Lease Revenue Bonds outstanding as of June 30, 2018, are as follows:

Year Ending June 30,	Principal	Interest	Total
2019	$ 200,000	$ 344,445	$ 544,445
2020	275,000	271,556	546,556
2021	285,000	260,556	545,556
2022	295,000	249,156	544,156
2023	310,000	237,356	547,356
2024-2028	1,795,000	938,531	2,733,531
2029-2033	2,195,000	536,169	2,731,169
2034-2037	2,015,000	169,050	2,184,050
	$ 7,370,000	$ 3,006,819	$ 10,376,819

(Continued)

NOTE 6 - LONG-TERM LIABILITIES (Continued)

Note Payable - PG&E: In July 2014, the District entered into an On Bill Financing Loan with PG&E with an effective interest rate of 0% and expiring in February 2022. The loan is used as financing for an energy efficiency retrofit.

The annual payments required to amortize the PG&E loan outstanding as of June 30, 2018, are as follows:

Year Ending June 30,	Principal	Interest	Total
2019	$ 77,916	$ -	$ 77,916
2020	77,916	-	77,916
2021	77,916	-	77,916
2022	56,968	-	56,968
	$ 290,716	$ -	$ 290,716

Supplemental Employee Retirement Plan: During the fiscal year ended June 30, 2017 and 2016, the District provided the option of a Supplemental Employee Retirement Plan to the District employees. Employees under the SERP will receive monthly annuity benefits. The District is obligated to pay annual installments for the calculated benefits for employees under the SERP and for the administration of the plan.

The annual requirements to amortize the SERP liability outstanding as of June 30, 2018 are as follows:

Year Ending June 30,	
2019	$ 266,431

Changes in Long-Term Debt: A schedule of changes in long-term debt for the year ended June 30, 2018 is as follows:

	Balance July 1, 2017 as restated	Additions	Deductions	Balance June 30, 2018	Amounts Due Within Year
General Obligation (GO) Bonds	$ 313,510,000	$ 49,405,000	$ 52,850,000	$ 310,065,000	$ 15,465,000
Lease Revenue (LR) Bonds	2,420,834	7,370,000	100,000	9,690,834	310,000
Bond Premium - GO Bonds	17,012,466	6,365,082	1,817,302	21,560,246	1,420,453
Bond Premium - LR Bonds	-	342,169	3,637	338,532	14,751
Net pension liability (Notes 9 & 10)	56,811,000	2,497,000	-	59,308,000	-
Compensated Absences	1,546,091	42,159	-	1,588,250	331,383
SERP Liability	625,524	-	359,093	266,431	266,431
Note payable - PG&E	368,632	-	77,916	290,716	77,916
Capital leases obligations	107,012	198,630	109,008	196,634	97,321
	$ 392,401,559	$ 66,220,040	$ 55,316,956	$ 403,304,643	$ 17,983,255

NOTE 7 - PROPERTY TAXES

All property taxes are levied and collected by the Tax Assessor of the County of Marin and paid upon collection to the various taxing entities including the District. Secured taxes are levied on July 1 and are due in two installments on November 1 and February 1, and become delinquent on December 10 and April 10, respectively. The lien date for secured and unsecured property taxes is March 1 of the preceding fiscal year.

NOTE 8 - RISK MANAGEMENT

The District administers dental and vision insurance programs on behalf of the District's eligible employees on a cost-reimbursement basis. The District records an estimated liability for dental and vision claims against the District. Claims liabilities are based on estimates of the ultimate cost of reported claims (including future claim adjustment expenses) and an estimate for claims incurred, but not reported based on historical experience. A formal actuarial study has not been performed, however, the District calculated the estimated amount based on historical experience.

The dental and vision claims reserve activity for the years ended June 30, 2018 and 2017 is as follows:

	2018	2017
Liability balance, beginning of year	$ 98,497	$ 70,954
Claims and changes in estimates	605,093	626,543
Claims payments	(624,126)	(599,000)
Liability balance, end of year	$ 79,464	$ 98,497

NOTE 9 - NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN

General Information about the State Teachers' Retirement Plan

Plan Description: Teaching-certified employees of the District are provided with pensions through the State Teachers' Retirement Plan (STRP) – a cost-sharing multiple-employer defined benefit pension plan administered by the California State Teachers' Retirement System (CalSTRS). The Teachers' Retirement Law (California Education Code Section 22000 et seq.), as enacted and amended by the California Legislature, established this plan and CalSTRS as the administrator. The benefit terms of the plans may be amended through legislation. CalSTRS issues a publicly available financial report that can be obtained at http://www.calstrs.com.

Benefits Provided: The STRP Defined Benefit Program has two benefit formulas:

- CalSTRS 2% at 60: Members first hired on or before December 31, 2012, to perform service that could be creditable to CalSTRS.
- CalSTRS 2% at 62: Members first hired on or after January 1, 2013, to perform service that could be creditable to CalSTRS.

NOTE 9 - NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN

The Defined Benefit (DB) Program provides retirement benefits based on members' final compensation, age and years of service credit. In addition, the retirement program provides benefits to members upon disability and to survivors/beneficiaries upon the death of eligible members. There are several differences between the two benefit formulas which are noted below.

CalSTRS 2% at 60

CalSTRS 2% at 60 members are eligible for normal retirement at age 60, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. Early retirement options are available at age 55 with five years of credited service or as early as age 50 with 30 years of credited service. The age factor for retirements after age 60 increases with each quarter year of age to 2.4 percent at age 63 or older. Members who have 30 years or more of credited service receive an additional increase of up to 0.2 percent to the age factor, known as the career factor. The maximum benefit with the career factor is 2.4 percent of final compensation.

CalSTRS calculates retirement benefits based on a one-year final compensation for members who retired on or after January 1, 2001, with 25 or more years of credited service, or for classroom teachers with less than 25 years of credited service if the employer elected to pay the additional benefit cost prior to January 1, 2014. One-year final compensation means a member's highest average annual compensation earnable for 12 consecutive months calculated by taking the creditable compensation that a member could earn in a school year while employed on a fulltime basis, for a position in which the person worked. For members with less than 25 years of credited service, final compensation is the highest average annual compensation earnable for any three consecutive years of credited service.

CalSTRS 2% at 62

CalSTRS 2% at 62 members are eligible for normal retirement at age 62, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. An early retirement option is available at age 55. The age factor for retirement after age 62 increases with each quarter year of age to 2.4 percent at age 65 or older.

All CalSTRS 2% at 62 members have their final compensation based on their highest average annual compensation earnable for three consecutive years of credited service.

<u>Contributions</u>: Required member, employer and state contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. Contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial cost method.

A summary of statutory contribution rates and other sources of contributions to the Defined Benefit Program are as follows:

Members – Under CalSTRS 2% at 60, the member contribution rate was 10.25 percent of applicable member earnings for fiscal year 2017-2018. Under CalSTRS 2% at 62, members contribute 50 percent of the normal cost of their retirement plan, which resulted in a contribution rate of 9.205 percent of applicable member earnings for fiscal year 2017-2018.

In general, member contributions cannot increase unless members are provided with some type of "comparable advantage" in exchange for such increases. Under previous law, the Legislature could reduce or eliminate the 2 percent annual increase to retirement benefits. As a result of AB 1469, effective July 1, 2014, the Legislature cannot reduce the 2 percent annual benefit adjustment for members who retire on or after January 1, 2014, and in exchange for this "comparable advantage," the member contribution rates have been increased by an amount that covers a portion of the cost of the 2 percent annual benefit adjustment.

(Continued)

NOTE 9 - NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

According to current law, the contribution rate for CalSTRS 2% at 62 members is adjusted if the normal cost increases or decreases by more than 1 percent since the last time the member contribution rate was set. Based on the June 30, 2017, valuation adopted by the board in May 2018, the increase in normal cost was greater than 1 percent. Therefore, contribution rates for CalSTRS 2% at 62 members will increase by 1 percent effective July 1, 2018.

Employers – 14.43 percent of applicable member earnings.

Pursuant to AB 1469, employer contributions will increase from a prior rate of 8.25 percent to a total of 19.1 percent of applicable member earnings phased in over seven years starting in 2014. The new legislation also gives the CalSTRS board limited authority to adjust employer contribution rates from July 1, 2021 through June 2046 in order to eliminate the remaining unfunded actuarial obligation related to service credited to members prior to July 1, 2014. The CalSTRS board cannot adjust the rate by more than 1 percent in a fiscal year, and the total contribution rate in addition to the 8.25 percent cannot exceed 12 percent.

The CalSTRS employer contribution rate increases effective for fiscal year 2017-2018 through fiscal year 2045-46 are summarized in the table below:

Effective Date	Prior Rate	Increase	Total
July 01, 2017	8.25%	6.18%	14.43%
July 01, 2018	8.25%	8.03%	16.28%
July 01, 2019	8.25%	9.88%	18.13%
July 01, 2020	8.25%	10.85%	19.10%
July 01, 2046	8.25%	Increase from prior rate ceases in 2046-47	

The District contributed $2,940,921 to the plan for the fiscal year ended June 30, 2018.

State – 9.328 percent of the members' creditable earnings from the fiscal year ending in the prior calendar year.

Also as a result of AB1469, the additional state appropriation required to fully fund the benefits in effect as of 1990 by 2046 is specific in subdivision (b) of Education Code Section 22955.1. The increased contributions end as of fiscal year 2045-2046. The CalSTRS state contribution rates effective for fiscal year 2017-2018 and beyond are summarized in the table below.

Effective Date	Base Rate	AB 1469 Increase For 1990 Benefit Structure	SBMA Funding	Total State Appropriation to DB Program
July 01, 2018	2.017%	5.311%(2)	2.50%	9.828%
July 2019 to June 30, 2046	2.017%	(3)	2.50%	(3)
July 01, 2046 and thereafter	2.017%	(4)	2.50%	4.517%(3)

(1)This rate does not include $72 million reduction with Education Code 22954
(2)In May 2018 meeting, the board of CalSTRS exercised its limited authority to increase the state contribution rate by 0.5 percent of the payroll effective July 1, 2018.
(3)The CalSTRS board has limited authority to adjust state contribution rates annually through June 30, 2046 in order to eliminate the remaining unfunded actuarial obligation associated with the 1990 benefit structure. The board cannot increase the rate by more than 0.50 percent in a fiscal year, and if there is no unfunded actuarial obligation, the contribution rate imposed to pay for the 1990 benefit structure would be reduced to 0 percent.
(4) From July 1, 2046, and thereafter, the rates in effect prior to July 1, 2014, are reinstated, if necessary to address any remaining 1990 unfunded actuarial obligation.

(Continued)

NOTE 9 - NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2018, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	$ 33,024,000
State's proportionate share of the net pension liability associated with the District	19,537,000
Total	$ 52,561,000

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating school Districts and the State. At June 30, 2017, the District's proportion was 0.036 percent, which was a decrease of 0.005 percent from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized pension expense of $4,644,543 and revenue of $1,941,747 for support provided by the State. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 122,000	$ 576,000
Changes of assumptions	6,118,000	-
Net differences between projected and actual earnings on investments	-	880,000
Changes in proportion and differences between District contributions and proportionate share of contributions	1,333,000	1,606,000
Contributions made subsequent to measurement date	2,940,921	-
Total	$ 10,513,921	$ 3,062,000

(Continued)

NOTE 9 - NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

$2,940,921 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2019	$ 206,817
2020	$ 1,490,817
2021	$ 1,017,817
2022	$ 156,483
2023	$ 866,733
2024	$ 772,333

Differences between expected and actual experience and changes in assumptions are amortized over a closed period equal to the average remaining service life of plan members, which is 7 years as of June 30, 2017 measurement date. Deferred outflows and inflows related to differences between projected and actual earrings on plan investments are netted and amortized over a closed 5-year period.

Actuarial Methods and Assumptions: The total pension liability for the STRP was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2016, and rolling forward the total pension liability to June 30, 2017. The financial reporting actuarial valuation as of June 30, 2016, used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2016
Experience Study	July 1, 2010 through June 30, 2015
Actuarial Cost Method	Entry age normal
Investment Rate of Return	7.10%
Consumer Price Inflation	2.75%
Wage Growth	3.50%
Post-retirement Benefit Increases	2.00% simple for DB Not applicable for DBS/CBB

CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among its members. The projection scale was set equal to 110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2016) table, issued by the Society of Actuaries.

(Continued)

NOTE 9 - NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

During the 2016-17 measurement period, CalSTRS completed an experience study for the period starting July 1, 2010, and ending June 30, 2015. The experience study was adopted by the board in February 2017. As a result of the study, certain assumptions used in determining the NPL of the STRP changed, including the price inflation, wage growth, discount rate and the mortality tables used in the actuarial valuation of the NPL. The changes to the assumptions as a result of the experience study follow:

	Measurement Period	
Assumption	As of June 30, 2017	As of June 30, 2016
Consumer price inflation	2.75%	3.00%
Investment rate of return	7.10%	7.60%
Wage growth	3.50%	3.75%

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant as an input to the process. The actuarial investment rate of return assumption was adopted by the CalSTRS board in February 2017 in conjunction with the most recent experience study. For each future valuation, CalSTRS consulting actuary reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometric real rates of return and the assumed asset allocation for each major asset class used as input to develop the actuarial investment rate of return are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term* Expected Real Rate of Return
Global Equity	47%	6.30%
Private Equity	13	9.30
Real Estate	13	5.20
Inflation Sensitive	4	3.80
Fixed Income	12	0.30
Absolute Return / Risk Mitigating Strategies	9	2.90
Cash / Liquidity	2	(1.00)

* 20-year geometric average

Discount Rate: The discount rate used to measure the total pension liability was 7.10 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates in accordance with the rate increase per AB 1469. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10 percent) and assuming that contributions, benefit payments, and administrative expense occur midyear. Based on those assumptions, the STRP's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 9 - NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.10 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
District's proportionate share of the net pension liability	$ 48,490,000	$ 33,024,000	$ 20,472,000

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in the separately issued CalSTRS financial report.

NOTE 10 - NET PENSION LIABILITY – PUBLIC EMPLOYER'S RETIREMENT FUND B

General Information about the Public Employer's Retirement Fund B

Plan Description: The schools cost-sharing multiple-employer defined benefit pension plan Public Employer's Retirement Fund B (PERF B) is administered by the California Public Employees' Retirement System (CalPERS). Plan membership consists of non-teaching and non-certified employees of public schools (K-12), community college districts, offices of education, charter and private schools (elective) in the State of California.

The Plan was established to provide retirement, death and disability benefits to non-teaching and non-certified employees in schools. The benefit provisions for Plan employees are established by statute. CalPERS issues a publicly available financial report that can be obtained at:

https://www.calpers.ca.gov/docs/forms-publications/cafr-2017.pdf

Benefits Provided: The benefits for the defined benefit plans are based on members' years of service, age, final compensation, and benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. Members become fully vested in their retirement benefits earned to date after five years (10 years for State Second Tier members) of credited service.

Contributions: The benefits for the defined benefit pension plans are funded by contributions from members and employers, and earnings from investments. Member and employer contributions are a percentage of applicable member compensation. Member contribution rates are defined by law and depend on the respective employer's benefit formulas. Employer contribution rates are determined by periodic actuarial valuations or by state statute. Actuarial valuations are based on the benefit formulas and employee groups of each employer. Employer contributions, including lump sum contributions made when districts first join the PERF B, are credited with a market value adjustment in determining contribution rates.

(Continued)

NOTE 10 - NET PENSION LIABILITY – PUBLIC EMPLOYER'S RETIREMENT FUND B (Continued)

The required contribution rates of most active plan members are based on a percentage of salary in excess of a base compensation amount ranging from zero dollars to $863 monthly.

Required contribution rates for active plan members and employers as a percentage of payroll for the year ended June 30, 2018 were as follows:

Members – The member contribution rate was 6.5 or 7.5 percent of applicable member earnings for fiscal year 2017-18.

Employers – The employer contribution rate was 15.531 percent of applicable member earnings.

The District contributed $2,432,656 to the plan for the fiscal year ended June 30, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2018, the District reported a liability of $26,284,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as June 30, 2016. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating school districts. At June 30, 2017, the District's proportion was 0.105 percent, which was a decrease of 0.003 percent from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized pension expense of $2,967,803. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 910,000	$ 3,000
Changes of assumptions	3,833,000	308,000
Net differences between projected and actual earnings on investments	905,000	-
Changes in proportion and differences between District contributions and proportionate share of contributions	379,000	1,479,000
Contributions made subsequent to measurement date	2,432,656	-
Total	$ 8,459,656	$ 1,790,000

(Continued)

NOTE 10 - NET PENSION LIABILITY – PUBLIC EMPLOYER'S RETIREMENT FUND B (Continued)

$2,432,656 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2019	$ 407,250
2020	$ 2,435,250
2021	$ 1,891,250
2022	$ (496,750)

Differences between expected and actual experience and changes in assumptions are amortized over a closed period equal to the average remaining service life of plan members, which is 4 years as of the June 30, 2016 measurement date. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed 5-year period.

Actuarial Methods and Assumptions: The total pension liability for the Plan was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2016, and rolling forward the total pension liability to June 30, 2017. The financial reporting actuarial valuation as of June 30, 2016, used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2016
Experience Study	June 30, 1997 through June 30, 2011
Actuarial Cost Method	Entry age normal
Investment Rate of Return	7.15%
Consumer Price Inflation	2.75%
Wage Growth	Varies by entry age and service
Post-retirement Benefit Increases	Contract COLA up to 2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power applies 2.75% thereafter

The mortality table used was developed based on CalPERS specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

All other actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found at CalPERS' website.

During the 2016-17 measurement period, the financial reporting discount rate for the Plan was lowered from 7.65 percent to 7.15 percent.

(Continued)

NOTE 10 - NET PENSION LIABILITY – PUBLIC EMPLOYER'S RETIREMENT FUND B (Continued)

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

Asset Class	Long-Term* Assumed Asset Allocation	Expected Real Rate of Return Years 1-10 (1)	Expected Real Rate of Return Years 11+(2)
Global Equity	47%	4.90%	5.38%
Fixed Income	19	0.80	2.27
Inflation Assets	6	0.60	1.39
Private Equity	12	6.60	6.63
Real Estate	11	2.80	5.21
Infrastructure & Forestland	3	3.90	5.36
Liquidity	2	(0.40)	(0.90)

* 10-year geometric average
(1) An expected inflation rate of 2.50% used for this period
(2) An expected inflation rate of 3.00% used for this period

Discount Rate: The discount rate used to measure the total pension liability was 7.15 percent. A projection of the expected benefit payments and contributions was performed to determine if assets would run out. The test revealed the assets would not run out. Therefore the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for the Plan. The results of the crossover testing for the Plan are presented in a detailed report that can be obtained at CalPERS' website.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected cash flows of the Plan. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the Plan's asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

(Continued)

NOTE 10 - NET PENSION LIABILITY – PUBLIC EMPLOYER'S RETIREMENT FUND B (Continued)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.15 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.15 percent) or 1-percentage-point higher (8.15 percent) than the current rate:

	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
District's proportionate share of the net pension liability	$ 38,664,000	$ 26,284,000	$ 16,020,000

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial report.

NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS

General Information Other Postemployment Benefits Plan (OPEB)

Plan Description: In addition to the pension benefits described in Note 9 and 10, the District provides post-retirement health care benefits to employees hired prior to 1988 and who retire from the District and meet the specific eligibility requirements set forth in their prospective employment contracts under a single employer defined benefit OPEB plan. The plan does not issue separate financial statements. The District pays medical and dental insurance premiums to maintain the level of coverage enjoyed by the retiree immediately preceding retirement up until the age of 70 or death of the retiree.

The District established an irrevocable trust under the California Employer's Retiree Benefit Trust Program (CERBT) to prefund the costs of other postemployment benefits. The funds in the CERBT are held in trust and will be administered by the California Public Employees' Retirement System (CalPERS) as an agent multiple-employer plan. Benefit provisions are established and may be amended by District labor agreements which are approved by the Board of Education. The District's contributions to the irrevocable trust is included in the CERBT, which is included in the CalPERS CAFR. Copies of the CalPERS' CAFR may be obtained from the CalPERS Executive Office – 400 P Street – Sacramento, CA 95814.

The CERBT fund, which is an Internal Revenue Code (IRC) Section 115 Trust, is set up for the purpose of (i) receiving employer contributions to prefund health and other post-employment benefits for retirees and their beneficiaries, (ii) invest contributed amounts and income therein, and (iii) disburse contributed amounts and income therein, if any, to pay for costs of administration of the fund and to pay for health care costs or other post-employment benefits in accordance with the terms of the District's OPEB plan.

(Continued)

NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Employees Covered by Benefit Terms: The following is a table of plan participants at June 30, 2017:

	Number of Participants
Inactive employees receiving benefits	38
Inactive employee not yet receiving benefits	-
Active employees	14
	52

Benefits Provided*:* The following is a description of the current retiree benefit plan:

	Faculty**	Classified**	Management**
Benefit types provided	Medical and dental	Medical and dental	Medical and dental
Duration of Benefits	To age 70	To age 70	To age 70
Required Service	15 years	10 years	10 years
Minimum Age	55	50	50/55*
Dependent Coverage	Yes	Yes**	Yes
District Contribution $	100%	100%	100%
College Cap	Active rates	Active rates	Active rates

*Depending on retirement system
**SEIU employees are not eligible for District-paid dependent benefits

Contributions*:* California Government Code specifies that the District's contribution requirements for covered employees are established and may be amended by the Governing Board.

The District did not make any contributions to the Plan for the year ended June 30, 2018.

Actuarial Assumptions: The net OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2017
Fiscal Year End	June 30
Certificated Mortality Rate	2009 CalSTRS Mortality
Classified Mortality Rate	2014 CalPERS Active Mortality for Miscellaneous Employers
Discount Rate as of 6/30/2017	6.5%. Based on the long-term expected rate of return
Assumed Investment Return	6.5%
Retirement Rate	2009 CalSTRS Retirement Rates Hired before 1/1/2013: 2009 CalPERS Retirement Rates for School Employers. Hired after 12/31/2012: 2009 CalPERS Retirement Rates for Miscellaneous Employees 2%@ 62 adjusted to minimum retierment age of 52.

NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Healthcare cost trend rate	4.0%
Salary Increases	2.75% per year
Termination Rate	Termination rates match rates developed in the most recent experience studies for California PERS (2009) and California STRS (2009).
Spouses Prevalence	80% of retirees assumed to be married at retirement. After retirement, the percentage married is adjusted to reflect mortality.
Funding Method	Entry Age Cost Method (Level Percentage of Pay).

Discount Rate: The actuary assumed that contributions would be sufficient to fully fund the obligation over a period not to exceed 30 years. Historical 30 year real rates of return for each asset class along with assumed long-term inflation assumption was used to set the discount rate. A discount rate of 6.5% was determined using the following asset allocation and assumed rate of return:

CERBT - Strategy 2

Asset Class	Long-Term* Assumed Asset Allocation	Expected Rate of Return
US Large Cap	40%	7.8%
US Small Cap	10	7.8
Long-Term Corporate Bonds	18	5.3
Long-Term Governmental Bonds	6	4.5
Treasury Inflation Protected Securities	15	7.8
US Real Estate	8	7.8
All Commodities	3	7.8

The actuary looked at rolling periods of time for all asset classes in combination to reflect the correlation between asset classes. The average returns for any asset class don't necessarily relfect the averages over time individually, but reflect the return for the asset class for the portfolio average. Geometric means were used.

NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Changes in the Net OPEB Liability:

	Total OPEB Liability (a)	Total Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance, June 30, 2017	$ 2,448,165	$ 3,693,622	$ (1,245,457)
Changes for the year:			
Service cost	-	-	-
Interest	143,562	-	143,562
Plan member contributions	-	-	-
Employer contributions	-	-	-
Net investment income	-	271,379	(271,379)
Investment gains	-	-	-
Administrative expense	-	(3,198)	3,198
Benefit payments	(479,042)	(479,042)	-
Net change	(335,480)	(210,861)	(124,619)
Balance, June 30, 2018	$ 2,112,685	$ 3,482,761	$ (1,370,076)

Fiduciary Net Position as a % of the Total OPEB Liability, at June 30, 2018: 164.85%

Sensitivity of the Net Pension OPEB to Assumptions: The following presents the net OPEB liability calculated using the discount rate of 6.5 percent. The schedule also shows what the net OPEB liability would be if it were calculated using a discount rate that is 1 percent lower (5.5 percent) and 1 percent higher (7.5):

	Discount Rate 1% Lower (5.5%)	Valuation Discount Rate (6.5%)	Discount Rate 1% Higher (7.5%)
Net OPEB liability	$ (1,309,348)	$ (1,370,076)	$ (1,426,807)

The following table presents the net OPEB liability calculated using the heath care cost trend rate of 6.0 - 5.0 percent. The schedule also shows what the net OPEB liability would be if it were calculated using a health care cost trend rate that is 1 percent lower (3.0 percent) and 1 percent higher (5.0 percent):

	Health Care Trend Rate 1% Lower (3.0%)	Valuation Health Care Trend Rate (4.0%)	Health Care Trend Rate 1% Higher (5.0%)
Net OPEB liability	$ (1,450,722)	$ (1,370,076)	$ (1,285,240)

NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the District recognized OPEB income of $87,026. At June 30, 2018, the District reported deferred outflows or resources and deferred inflow of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings of OPEB plan investments	$ 37,489	$ -

Amounts reported as deferred outflows of resources related to the net difference between projected and actual earnings of OPEB plan investments will be amortized over five years and recognized in OPEB expense as follows:

2019	$ 9,373
2020	9,373
2021	9,373
2022	9,370

NOTE 12 - COMMITMENTS AND CONTINGENCIES

Contingent Liabilities: There are various claims and legal actions pending against the District for which no provision has been made in the general purpose financial statements. In the opinion of the District, any liabilities arising from these claims and legal actions are not considered significant.

The District has received Federal and State funds for specific purposes that are subject to review or audit by the grantor agencies. Although such audits could result in expenditure disallowances under terms of the grants, it is management's opinion that any required reimbursements or future revenue offsets subsequently determined will not have a material effect.

Construction Commitments: As of June 30, 2018, the District has $9,172,547 in outstanding commitments on construction contracts.

(Continued)

NOTE 13 - JOINT POWERS AGREEMENTS

Marin Community College District participates in Joint Power Agreements (JPAs), with Northern California Community College Self Insurance Authority (NCCCSIA), Schools Association for Excess Risk (SAFER), the Protected Insurance Program for Schools (PIPS) and Statewide Association of Community Colleges (SWACC). The relationship between Marin Community College District and the JPAs is such that the JPAs are not component units of Marin Community College District for financial reporting purposes.

The JPAs are governed by boards consisting of a representative from each member district. The boards control the operations of the JPAs, including the selection of management and approval of operating budgets, independent of any influence by the member district beyond their representation on the governing board. NCCCSIA, SAFER and SWACC provide property and liability insurance for its members. PIPS provides workers' compensation insurance for its members. Marin Community College District pays a premium commensurate with the level of coverage requested. Settled claims resulting from these risks have not exceeded insurance coverage on any of the past three years.

Member districts share surpluses and deficits proportionate to their participation in the JPAs. The JPAs are independently accountable for their fiscal matters and maintain their own accounting records. Budgets are not subject to any approval other than that of the governing board.

Condensed financial information of the JPAs for the most current year for which audited information is available, is as follows:

	NCCCSIA June 30, 2017	SAFER June 30, 2017	PIPS June 30, 2017	SWACC June 30, 2017
Total assets and and deferred outflows	$ 1,525,153	$ 25,967,058	$ 129,260,118	$ 52,910,567
Total liabilities and and deferred inflows	$ 843,933	$ 25,277,081	$ 111,815,654	$ 27,810,540
Net position	$ 681,220	$ 689,977	$ 17,444,464	$ 25,100,027
Total revenues	$ 2,826,141	$ 55,637,171	$ 302,472,966	$ 19,038,800
Total expenses	$ 3,235,604	$ 57,088,960	$ 298,379,476	$ 22,346,167
Change in net position	$ (409,463)	$ (1,451,789)	$ 4,093,490	$ (3,307,367)

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE DISTRICT'S NET OTHER POSTEMPLOYMENT BENEFITS (OPEB) LIABILITY
For the Year Ended June 30, 2018

Last 10 Fiscal Years

	2018
Total OPEB liability	
Service Cost	$ -
Interest	143,562
Benefit payments	(479,042)
Net change in total OPEB liability	(335,480)
Total OPEB liability, beginning of year	2,448,165
Total OPEB liability, end of year (a)	$ 2,112,685
Plan fiduciary net position	
Employer contributions	$ -
Expected interest income	271,379
Administrative expense	(3,198)
Benefits payment	(479,042)
Change in plan fiduciary net position	(210,861)
Fiduciary trust net position, beginning of year	3,693,622
Fiduciary trust net position, end of year (b)	$ 3,482,761
Net OPEB liability (asset), ending (a) - (b)	$ (1,370,076)
Covered-employee payroll	$ 1,315,977
Plan fiduciary net position as a percentage of the total OPEB asset	164.85%
Net OPEB asset as a percentage of covered-employee payroll	104.11%

This is a 10 year schedule, however the information in this schedule is not required to be presented retrospectively.

See accompanying note to required supplementary information.

SCHEDULE OF MONEY-WEIGHTED RATE OF RETURN OF OPEB PLAN INVESTMENTS
For the Year Ended June 30, 2018

Last 10 Fiscal Years

	2018
Money-weighted rate of return on OPEB plan investments	6.5%

This is a 10 year schedule, however the information in this schedule is not required to be presented retrospectively.

See accompanying note to required supplementary information.

State Teacher's Retirement Plan
Last 10 Fiscal Years

	2015	2016	2017	2018
District's proportion of the net pension liability	0.036%	0.039%	0.041%	0.036%
District's proportionate share of the net pension liability	$ 20,662,000	$ 26,052,000	$ 33,449,000	$ 33,024,000
State's proportionate share of the net pension liability associated with the District	12,477,000	13,779,000	19,044,000	19,537,000
Total net pension liability	$ 33,139,000	$ 39,831,000	$ 52,493,000	$ 52,561,000
District's covered payroll	$ 15,748,000	$ 17,961,000	$ 20,611,000	$ 19,784,000
District's proportionate share of the net pension liability as a percentage of its covered payroll	131.20%	145.05%	162.29%	166.92%
Plan fiduciary net position as a percentage of the total pension liability	76.52%	74.02%	70.04%	69.46%

The amounts presented for each fiscal year were determined as of the year end that occurred one year prior.

All years prior to 2015 are not available.

(Continued)

MARIN COMMUNITY COLLEGE DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
For the Year Ended June 30, 2018

Public Employers Retirement Fund B
Last 10 Fiscal Years

	2015	2016	2017	2018
District's proportion of the net pension liability	0.133%	0.121%	0.108%	0.105%
District's proportionate share of the net pension liability	$ 15,387,250	$ 19,671,000	$ 23,362,000	$ 26,284,000
District's covered payroll	$ 15,342,000	$ 14,898,000	$ 14,443,000	$ 13,723,000
District's proportionate share of the net pension liability as a percentage of its covered payroll	100.29%	132.04%	161.75%	191.53%
Plan fiduciary net position as a percentage of the total pension liability	83.38%	79.43%	73.89%	71.87%

The amounts presented for each fiscal year were determined as of the year end that occurred one year prior.

All years prior to 2015 are not available.

See accompanying note to required supplementary information.

MARIN COMMUNITY COLLEGE DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
For the Year Ended June 30, 2018

State Teachers' Retirement Plan
Last 10 Fiscal Years

	2015	2016	2017	2018
Contractually required contribution	$ 1,594,920	$ 2,211,544	$ 2,488,796	$ 2,940,921
Contributions in relation to the contractually required contribution	1,594,920	2,211,544	2,488,796	2,940,921
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 17,961,000	$ 20,611,000	$ 19,784,000	$ 20,381,000
Contributions as a percentage of covered payroll	8.88%	10.73%	12.58%	14.43%

All years prior to 2015 are not available.

(Continued)

Public Employers Retirement Fund B
Last 10 Fiscal Years

	2015	2016	2017	2018
Contractually required contribution	$ 1,753,636	$ 1,711,105	$ 1,905,803	$ 2,351,656
Contributions in relation to the contractually required contribution	1,753,636	1,711,105	1,905,803	2,351,656
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 14,898,000	$ 14,443,000	$ 13,723,000	$ 15,142,000
Contributions as a percentage of covered payroll	11.77%	11.85%	13.89%	15.53%

All years prior to 2015 are not available.

See accompanying note to required supplementary information.

NOTE 1 - PURPOSE OF SCHEDULE

A - Schedule of Changes in Net Other Postemployment Benefits (OPEB) liability

The Schedule of Changes in Net OPEB asset is presented to illustrate the elements of the District's Net OPEB liability. There is a requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

B - Schedule of Money-Weighted Rate of Return of OPEB Plan Investments

The Schedule of Money-Weighted Rate of Return of OPEB Plan Investments presents the weighted average rate of return for the District's OPEB Plan investments.

C - Schedule of the District’s Proportionate Share of the Net Pension Liability

The Schedule of the District’s Proportionate Share of the Net Pension Liability is presented to illustrate the elements of the District’s Net Pension Liability. There is a requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

D - Schedule of the District's Contributions

The Schedule of the District's Contributions is presented to illustrate the District’s required contributions relating to the pensions. There is a requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

E - Changes of Benefit Terms

There are no changes in benefit terms reported in the Required Supplementary Information.

F - Changes of Assumptions

The discount rate for Public Employer's Retirement Fund B (PERF B) was 7.50, 7.65, 7.65 and 7.15 percent in the June 30, 2013, 2014, 2015 and 2016 actuarial reports, respectively.

The following are the assumptions for State Teachers' Retirement Plan:

	Measurement Period		
Assumption	As of June 30, 2017	As of June 30, 2016	As of June 30, 2015
Consumer price inflation	2.75%	3.00%	3.00%
Investment rate of return	7.10%	7.60%	7.60%
Wage growth	3.50%	3.75%	3.75%

SUPPLEMENTARY INFORMATION

Marin Community College District was established in 1926, and is comprised of two campuses, Kentfield and Indian Valley. There were no changes in the boundaries of the District during the current year.

The Governing Board and District Administration for the fiscal year ended June 30, 2018 were composed of the following members:

BOARD OF TRUSTEES

Members	Office	Term Expires
Eva Long, Ph.D	President	2020
Philip Kranenburg	Vice President	2020
Stuart Tanenberg	Clerk	2020
Wanden Treanor	Trustee	2018
Stephanie O'Brien	Trustee	2020
Diana Conti	Trustee	2018
Vacant	Trustee	2018
Jadon Seitz	Student Trustee	2019

DISTRICT ADMINISTRATION

David Wain Coon Ed.D.
Superintendent/President

Gregory W. Nelson
Vice President, Finance and College Operations

Jonathan Eldridge
Senior Vice President of Learning and Student Success

MARIN COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2018

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Federal Expenditures
U.S. Department of Education		
Direct Programs:		
Student Financial Aid Cluster:		
Federal Supplementary Educational Opportunity Program (FSEOG)	84.007	$ 182,680
Federal College Work Study (FWS)	84.033	175,028
Federal Direct Loan Program	84.268	471,090
PELL Admin Allowance	84.268	4,970
Federal Pell Grant (PELL)	84.063	2,946,412
Subtotal Financial Aid Cluster		3,780,180
Passed through California Community College Chancellor's Office:		
Vocation and Applied Technology Education - Act Program:		
Vocational and Applied Technology Educational Act - Title IC	84.048	99,671
Vocational and Applied Technology Educational Act - Title II - Tech Prep	84.048	41,592
Subtotal Vocational and Applied Technology Education Act Program		141,263
Passed through California Department of Education:		
Early Childhood Mentor Program	84.405A	4,784
Total U.S. Department of Education		3,926,227
U.S. Department of Health and Human Services		
Passed through California Community College Chancellor's Office:		
Temporary Assistance to Needy Families (TANF) Cluster	93.558	15,740
Passed through California Department of Education:		
Child Development Training Consortium - CCDF Cluster	93.575	6,513
Foster Care Education	93.658	34,730
Total U.S. Department of Health and Human Services		56,983
U.S. Department of Agriculture - Passed through California Department of Education		
Child Care Food Program	10.558	12,600
Total Federal Programs		$ 3,995,810

See accompanying note to supplemental information.

MARIN COMMUNITY COLLEGE DISTRICT
SCHEDULE OF STATE FINANCIAL AWARDS
For the Year Ended June 30, 2018

	Program Revenues				
	Cash Received	Accounts Receivable/ (Payable)	Unearned Income	Total	Total Program Expenditures
AB86 Adult Ed - FY15/16	$ 95,016	$ 198	$ -	$ 95,214	$ 95,214
Administrative 2% Enrollment Fee Waivers	34,284	-	-	34,284	34,284
Adult Ed Block Grant (AEBG)	1,526,608	-	282,200	1,244,408	1,244,408
Basic Skills CY	132,977	-	99,914	33,063	33,063
Basic Skills PY	77,002	-	-	77,002	77,002
BFAP Administrative	174,520	-	-	174,520	174,520
CalWORKs (Health Services) CY	150,205	-	-	150,205	150,205
CARE	62,924	-	-	62,924	62,924
Child Care Food Program - Preschool	-	-	-	-	730,786
DSPS	730,786	-	-	730,786	730,786
EOPS	548,779	-	-	548,779	548,779
Faculty/Staff Development	11,325	-	11,325	-	-
Foster Care Education	19,788	16,943	-	36,731	36,731
Hazardous Substance	4,880	-	4,880	-	-
SSSP - Credit CY	940,787	-	-	940,787	940,787
SSSP - Credit PY	107,504	-	-	107,504	107,504
SSSP - Non-credit CY	138,529	-	76,307	62,222	62,222
SSSP - Non-credit PY	77,796	-	-	77,796	77,796
Nursing Enrollment Growth	119,800	-	-	119,800	119,800
Peace Officers Training	110	186	-	296	296
Physical Plant & Inst'l Support	561,094	-	304,489	256,605	256,605
Proposition 20, Lottery	956,007	74,796	913,522	117,281	117,281
Scheduled Maintenance & Repair Ongoing 08/09	27,900	-	27,900	-	-
Scheduled Maintenance & Repair Ongoing	98,087	-	98,087	-	-
Strong Workforce (local)	1,112,780	-	494,890	617,890	617,890
Strong Workforce (regional)	165,276	24,449	-	189,725	189,725
Student Equity - CY	377,235	-	17,530	359,705	359,705
Student Equity - PY	114,787	-	-	114,787	114,787
TANF	15,741	-	-	15,741	15,741
Basic Skills Transformation	238,075	220,183	-	458,258	458,258
Data and Accountability	75,654	-	20,734	54,920	54,920
Guided Pathways	126,241	-	126,241	-	-
Hunger Free Campus	8,274	-	6,018	2,256	2,256

See accompanying note to supplemental information.

	Program Revenues				
	Cash Received	Accounts Receivable/ (Payable)	Unearned Income	Total	Total Program Expenditures
OTF - Other State Grants	$ 140,335	$ 11,680	$ 55,611	$ 96,404	$ 72,320
OTF - Instructional Equip	-	-	-	-	-
OTF - Scheduled Maintenance	24,884	-	24,884	-	-
Unlock the Data	50,000	-	26,414	23,586	23,586
Veterans Resource Center	12,794	-	9,877	2,917	2,917
Child Care Food Program	578	-	-	578	578
OTF - Child Development Bailout Funds	81,125	-	-	81,125	81,125
Child Development Contract Funds					
State Preschool - CSPP2274	66,192	(34,803)	-	31,389	31,389
Cal Grants	271,678	(1,392)	-	270,286	270,286
Community College Completion Grant	20,000	-	7,250	12,750	12,750
Emergency Dreamer Aid	50,091	-	-	50,091	50,091
Full Time Student Success Grant	61,516	-	10,816	50,700	50,700

See accompanying note to supplemental information.

MARIN COMMUNITY COLLEGE DISTRICT
SCHEDULE OF WORKLOAD MEASURES FOR
STATE GENERAL APPORTIONMENT
Annual Attendance as of June 30, 2018

Categories	Reported Data	Audit Adjustments	Revised Data
A. Summer Intersession (Summer 2017 only)			
1. Noncredit	-	-	-
2. Credit	-	-	-
B. Summer Intersession (Summer 2018 - Prior to July 1, 2018)			
1. Noncredit	19	-	19
2. Credit	180	-	180
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
a. Weekly Census Contact Hours	2,745	-	2,745
b. Daily Census Contact Hours	152	-	152
2. Actual Hours of Attendance Procedure Courses			
a. Noncredit	266	-	266
b. Credit	142	-	142
3. Alternative Attendance Accounting Procedure			
a. Weekly Census Procedure Courses	204	-	204
b. Daily Census Procedure Courses	9	-	9
c. Noncredit Independent Study/ Distance Education Courses	-	-	-
D. Total FTES	3,717	-	3,717
Supplementary Information:			
E. In-Service Training Courses (FTES)	-	-	-
H. Basic Skills Courses and Immigrant Education			
a. Noncredit	101	-	101
b. Credit	255	-	255
CCFS 320 Addendum			
CDCP	-	-	-
Centers FTES			
a. Noncredit	15	-	15
b. Credit	481	-	481

See accompanying note to supplemental information.

There were no audit adjustments proposed to any funds of the District.

MARIN COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2018

General Fund	$ 7,170,757	
Bond Interest and Redemption Fund	1,939,635	
Revenue Bond Interest and Redemption Fund	22,390,252	
Capital Outlay Fund	3,197,117	
Revenue Bond Construction Fund	65,990,500	
Self Insurance Fund	332,437	
IVC Organic Farm Fund	5,986	
PARS Trust Fund	4,158,855	
Total Fund Balances as reported on the Annual Financial and Budget Report (CCFS-311)		$ 105,185,539
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used for governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. However, capital assets, net of accumulated depreciation are added to total net assets.		272,544,806
Losses on refundings of debt are categorized as deferred outflows and are amortized over the shorter life of the refunded or refunding of the debt.	13,762,802	
In government funds, deferred outflows and inflows of resources relating to pensions and OPEB are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions and OPEB are reported:		
Deferred outflows of resources relating to pensions	$ 18,973,577	
Deferred outflows of resources relating to OPEB	37,489	
Deferred inflows of resources relating to pensions	(4,852,000)	
		14,159,066
Unmatured interest on long-term liabilities is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred.		(4,866,183)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at June 30, 2018 consisted of:		
General Obligation (GO) Bonds	$ (310,065,000)	
Lease revenue (LR) bonds	(9,690,834)	
Bond premiums - GO Bonds	(21,560,246)	
Bond premiums - LR Bonds	(338,532)	
Net pension liability	(59,308,000)	
Compensated absences	(1,588,250)	
SERP liability	(266,431)	
Note payable - PG&E	(290,716)	
Capital leases obligation	(196,634)	
		(403,304,643)
In governmental funds, other post employment benefits (OPEB) assets and liabilities are not reported because they are applicable to future periods. In the Statement of Net Position, OPEB asset (liabilities) are reported.		1,370,076
Total net position - business-type activities		$ (1,148,537)

See accompanying note to supplemental information.

MARIN COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF ECS 84362 (50 PERCENT LAW) CALCULATION
For the Year Ended June 30, 2018

		Activity (ECSA) ECS 84362 A Instructional Salary Cost AC 0100-5900 & AC 6110			Activity (ECSB) ECS 84362 B Total CEE AC 0100-6799		
	Object/TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Academic Salaries							
Instructional salaries:							
Contract or regular	1100	$ 9,934,481	$ -	$ 9,934,481	$ 9,934,481	$ -	$ 9,934,481
Other	1300	7,888,779	-	7,888,779	7,888,779	-	7,888,779
Total instructional salaries		17,823,260	-	17,823,260	17,823,260	-	17,823,260
Non-instructional salaries:							
Contract or regular	1200	-	-	-	3,414,169	-	3,414,169
Other	1400	-	-	-	823,364	-	823,364
Total non-instructional salaries		-	-	-	4,237,533	-	4,237,533
Total academic salaries		17,823,260	-	17,823,260	22,060,793	-	22,060,793
Classified Salaries							
Non-instructional salaries:							
Regular status	2100	-	-	-	9,944,281	-	9,944,281
Other	2300	-	-	-	288,963	-	288,963
Total non-instructional salaries		-	-	-	10,233,244	-	10,233,244
Instructional aides:							
Regular status	2200	952,605	-	952,605	952,605	-	952,605
Other	2400	247,864	-	247,864	247,864	-	247,864
Total instructional aides		1,200,469	-	1,200,469	1,200,469	-	1,200,469
Total classified salaries		1,200,469	-	1,200,469	11,433,713	-	11,433,713
Employee benefits	3000	7,344,741	-	7,344,741	14,422,418	-	14,422,418
Supplies and materials	4000	-	-	-	390,905	-	390,905
Other operating expenses	5000	-	-	-	5,568,661	-	5,568,661
Equipment replacement	6420	-	-	-	-	-	-
Total expenditures prior to exclusions		$ 26,368,470	$ -	$ 26,368,470	$ 53,876,490	$ -	$ 53,876,490

(Continued)

MARIN COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF ECS 84362 (50 PERCENT LAW) CALCULATION
For the Year Ended June 30, 2018

Exclusions	Object/TOP Codes	Activity (ECSA) ECS 84362 A Instructional Salary Cost AC 0100-5900 & AC 6110 Reported Data	Audit Adjustments	Revised Data	Activity (ECSB) ECS 84362 B Total CEE AC 0100-6799 Reported Data	Audit Adjustments	Revised Data
Activities to exclude:							
Instructional staff-retirees' benefits and retirement incentives	5900	$ 214,699	$ -	$ 214,699	$ 214,699	$ -	$ 214,699
Student health services above amount collected	6441	-	-	-	-	-	-
Student transportation	6491	-	-	-	-	-	-
Noninstructional staff-retirees' benefits and retirement incentives	6740	-	-	-	575,084	-	575,084
Objects to exclude:							
Rents and leases	5060	-	-	-	213,242	-	213,242
Lottery expenditures		-	-	-	-	-	-
Academic salaries	1000	-	-	-	-	-	-
Classified salaries	2000	-	-	-	-	-	-
Employee benefits	3000	-	-	-	-	-	-
Supplies and materials:	4000						
Software	4100	-	-	-	-	-	-
Books, magazines and periodicals	4200	-	-	-	-	-	-
Instructional supplies and materials	4300	-	-	-	-	-	-
Noninstructional supplies and materials	4400	-	-	-	-	-	-
Total supplies and materials		-	-	-	-	-	-
Other operating expenses and services	5000	-	-	-	584,584	-	584,584
Capital outlay	6000	-	-	-	-	-	-
Library books	6300	-	-	-	69,006	-	69,006
Equipment:	6400						
Equipment - additional	6410	-	-	-	585,523	-	585,523
Equipment - replacement	6420	-	-	-	-	-	-
Total equipment		-	-	-	585,523	-	585,523
Total capital outlay		-	-	-	654,529	-	654,529
Other outgo	7000	-	-	-	-	-	-
Total exclusions		$ 214,699	$ -	$ 214,699	$ 2,242,138	$ -	$ 2,242,138
Total for ECS 84362, 50% Law		$ 26,153,771	$ -	$ 26,153,771	$ 51,634,352	$ -	$ 51,634,352
Percent of CEE (instructional salary cost /Total CEE)		50.65%	-	50.65%	100.00%	-	100.00%
50% of current expense of education					$ 25,817,176	$ -	$ 25,817,176

See accompanying note to supplemental information.

EPA Proceeds: $ 359,137

Activity Classification	Activity Code (0100-5900)	Salaries and Benefits (1000-3000)	Operating Expenses (4000-5000)	Capital Outlay (6000)	Total
Instructional Activities	-	$ 359,137	$ -	$ -	$ 359,137

NOTE 1 - PURPOSE OF SCHEDULES

A - Schedule of Expenditure of Federal Awards

The Schedule of Expenditure of Federal Awards includes the federal award activity of Marin Community College District under programs of the federal government for the year ended June 30, 2018, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of Marin Community College District, it is not intended to and does not present the financial position, changes in net position, or cash flows of Marin Community College District. Expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

B - Schedule of State Financial Awards

The accompanying Schedule of State Financial Awards includes State grant activity of the District and is presented on the accrual basis of accounting. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The information in this schedule is presented to comply with reporting requirements of the California Community Colleges Chancellor's Office.

C - Schedule of Workload Measures for State General Apportionment

Full-time equivalent students is a measurement of the number of students attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of State funds are made to community college districts. This schedule provides information regarding the attendance of students based on various methods of accumulating attendance data.

D - Reconciliation of Annual Financial and Budget Report (CCFS-311) with Audited Basic Financial Statements

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the CCFS-311 to the audited basic financial statements.

E - Reconciliation of Governmental funds to the Statement of Net Position

This schedule provides the information necessary to reconcile the fund balances to the audited financial statements.

F - Reconciliation of ECS 84362 (50 Percent Law) Calculation

This schedule provides the information necessary to reconcile the 50 Percent Law Calculation reported on the CCFS-311 to the audited data.

G - Prop 55 EPA Expenditure Report

This schedule provides information about the District's EPA proceeds and summarizes how the EPA proceeds were spent.

INDEPENDENT AUDITOR'S REPORT
ON STATE COMPLIANCE REQUIREMENTS

Board of Trustees
Marin Community College District
Kentfield, California

Report on Compliance with State Laws and Regulations

We have audited the compliance of Marin Community College District with the types of compliance requirements described in Section 400 of the *California State Chancellor's Office's California Community College Contracted District Audit Manual (CDAM)* that are applicable to community colleges in the State of California for the year ended June 30, 2018:

Salaries of Classroom Instructors (50 Percent Law)
Apportionment for Instructional Service Agreements/Contracts
State General Apportionment Funding System
Residency Determination for Credit Courses
Students Actively Enrolled
Dual Enrollment (CCAP and Non-CCAP)
Student Equity
Student Success and Support Program (SSSP) Funds
Scheduled Maintenance Program
Gann Limit Calculation
Open Enrollment
Proposition 39 Clean Energy
Intersession Extension Program
Apprenticeship Related and Supplemental Instruction (RSI) Funds
Disabled Student Programs and Services (DSPS)
To Be Arranged Hours (TBA)
Proposition 1D and 51 State Bond Funded Projects
Education Protection Account Funds

Management's Responsibility

Management is responsible for compliance with the requirements of state laws and regulations, as listed above.

Auditor's Responsibility

Our responsibility is to express an opinion on Marin Community College District's compliance with state laws and regulations as listed above based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *California State Chancellor's Office's California Community College Contracted District Audit Manual* (Audit Manual). Those standards and the Audit Manual require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on Marin Community College District's compliance with the state laws and regulations listed above occurred. An audit includes examining, on a test basis, evidence about Marin Community College District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with State laws and regulations. However, our audit does not provide legal determination of Marin Community College District's compliance with those requirements.

(Continued)

Opinion on Compliance with State Laws and Regulations

In our opinion, Marin Community College District complied, in all material respects, with the compliance requirements associated with the state laws and regulations listed above for the year ended June 30, 2018. Further, based on our examination, for items not tested, nothing came to our attention to indicate that Marin Community College District had not complied with the state laws and regulations.

Purpose of this Report

This report is intended solely to describe the scope of testing of compliance and the results of that testing based on requirements of the *Contracted District Audit Manual*. Accordingly, this report is not suitable for any other purpose.

Crowe LLP

Crowe LLP

Sacramento, California
November 28, 2018

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees
Marin Community College District
Kentfield, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and fiduciary activities of Marin Community College District as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Marin Community College District's basic financial statements, and have issued our report thereon dated November 28, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Marin Community College District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Marin Community College District's internal control. Accordingly, we do not express an opinion on the effectiveness of Marin Community College District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Marin Community College District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

(Continued)

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Crowe LLP

Crowe LLP

Sacramento, California
November 28, 2018

Crowe

Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Board of Trustees
Marin Community College District
Kentfield, California

Report on Compliance for Each Major Federal Program

We have audited Marin Community College District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Marin Community College District's major federal programs for the year ended June 30, 2018. Marin Community College District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the Federal statues, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Marin Community College District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Marin Community College District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Marin Community College District's compliance.

Opinion on Each Major Federal Program

In our opinion, Marin Community College District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

Management of Marin Community College District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Marin Community College District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Marin Community College District's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Crowe LLP

Crowe LLP

Sacramento, California
November 28, 2018

FINDINGS AND RECOMMENDATIONS

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	______ Yes	X No
Significant deficiency(ies) identified not considered to be material weakness(es)?	______ Yes	X None reported
Noncompliance material to financial statements noted?	______ Yes	X No

FEDERAL AWARDS

Internal control over major programs:		
Material weakness(es) identified?	______ Yes	X No
Significant deficiency(ies) identified not considered to be material weakness(es)?	______ Yes	X None reported
Type of auditor's report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	______ Yes	X No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.007, 84.033, 84,268, 84.063	Student Financial Aid Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	$ 750,000	
Auditee qualified as low-risk auditee?	X Yes	______ No

STATE AWARDS

Type of auditor's report issued on compliance for state programs:	Unmodified

(Continued)

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

(Continued)

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

(Continued)

SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

STATUS OF PRIOR YEAR

FINDINGS AND RECOMMENDATIONS

Findings	Recommendations	Current Status	District Explanation If Not Fully Implemented
2017-001			
Condition: We noted discrepancies between COD and the records for 9 out of the 40 students selected for testing. The discrepancies include: award amount, transaction number, expected family contribution, disbursement date and time recorded. Recommendation: The District should implement controls to ensure accurate transmittal of data to the Department of Education.	Implemented.		
2017-002			
Condition: The District was unable to provide disbursement notifications for 3 out of 21 students selected for testing. Recommendation: The District should implement controls to ensure notification is sent to the student/parent when a loan is disbursed to the student.	Implemented.		
2017-003			
Condition: The District did not use at least 7% of the total Federal Work Study allocations to compensate students employed in community service activities. The District did not receive a waiver from the Secretary of Education. Recommendation: The District should implement controls to ensure funds are spent to meet the Earmarking requirements.	Implemented.		

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APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE FOR THE BONDS

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Marin Community College District (the "District") in connection with the issuance of (i) $________________ Marin Community College District (Marin County, California) Election of 2016 General Obligation Bonds, Series B (Federally Tax-Exempt) (the "Series B Bonds") and (ii) $________________ Marin Community College District (Marin County, California) Election of 2016 General Obligation Bonds, Series B-1 (Federally Taxable) (the "Series B-1 Bonds") (the "Series B-1 Bonds" and, together with the Series B Bonds, the "Bonds"). The Bonds are being issued pursuant to a resolution of the Board of Trustees of the District adopted on October 16, 2018 (the "Resolution"). The District covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Dissemination Agent" shall mean initially Digital Assurance Corporation, or any successor Dissemination Agent designated in writing by the District (which may be the District) and which has filed with the District a written acceptance of such designation.

"Holders" shall mean registered owners of the Bonds.

"Listed Events" shall mean any of the events listed in Sections 5(a) and 5(b) of this Disclosure Agreement.

"Official Statement" means the Official Statement relating to the sale of the Bonds, dated as of _____________, 2019.

"Participating Underwriter" shall mean Piper Jaffray & Co., the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Repository" shall mean the Municipal Securities Rulemaking Board, which can be found at http://emma.msrb.org/, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of California.

SECTION 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the District's fiscal year (presently ending June 30), commencing with the report for the 2018-19 Fiscal Year (which is due not later than April 1, 2020), provide to the Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; *provided* that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the District's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

(b) Not later than 30 days (nor more than 60 days) prior to said date the Dissemination Agent shall give notice to the District that the Annual Report shall be required to be filed in accordance with the terms of this Disclosure Agreement. Not later than 15 Business Days prior to said date, the District shall provide the Annual Report in a format suitable for reporting to the Repository to the Dissemination Agent (if other than the District). If the Dissemination Agent has not received either (i) the Annual Report by 6:00 p.m. on the date required in subsection (a), or (ii) notice from the District that it intends to deliver the Annual Report to the Dissemination Agent by 11:59 p.m. on the date required in subsection (a), the District irrevocably directs the Dissemination Agent to immediately send a notice thereof in substantially the form attached as Exhibit A to the Repository the following business day. Notwithstanding the foregoing, if the District fails to file the Annual Report by 11:59 p.m. on the date required in subsection (a), the District directs the Dissemination Agent to immediately send a notice thereof to the Repository the following business day.

(c) The Dissemination Agent shall file a report with the District stating it has filed the Annual Report in accordance with its obligations hereunder, stating the date it was provided.

SECTION 4. Content and Form of Annual Reports.

(a) The District's Annual Report shall contain or include by reference the following:

1. The audited financial statements of the District for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

2. Material financial information and operating data with respect to the District of the type included in the Official Statement in the following categories (to the extent not included in the District's audited financial statements):

(A) State funding received by the District for the last completed fiscal year;

(B) FTES of the District for the last completed fiscal year;

(C) Summary financial information on revenues, expenditures and fund balances for the District's general fund reflecting adopted budget for then-current fiscal year; and

(D) Outstanding District indebtedness.

(E) Assessed value of taxable property in the District as shown on the most recent equalized assessment role;

(F) If the County of Marin no longer includes the tax levy for payment of the Bonds in its Teeter Plan, the property tax levies, collections, and delinquencies for the District for the most recently completed fiscal year.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been submitted to the Repository or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The District shall clearly identify each such other document so included by reference.

(b) The Annual Report shall be filed in an electronic format accompanied by identifying information prescribed by the Municipal Securities Rulemaking Board.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5(a), the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not in excess of 10 business days after the occurrence of the event:

1. principal and interest payment delinquencies.

2. tender offers.

3. defeasances.

4. rating changes.

5. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, or Notices of Proposed Issue (IRS Form 5701-TEB).

6. unscheduled draws on the debt service reserves reflecting financial difficulties.

7. unscheduled draws on credit enhancement reflecting financial difficulties.

8. substitution of the credit or liquidity providers or their failure to perform.

9. bankruptcy, insolvency, receivership or similar event of the District. For the purposes of the event identified in this Section 5(a)(9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over

substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

(b) Pursuant to the provisions of this Section 5(b), the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. non-payment related defaults.

2. modifications to rights of Bondholders.

3. optional, contingent or unscheduled bond calls.

4. unless described under Section 5(a)(5) above, material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.

5. release, substitution or sale of property securing repayment of the Bonds.

6. the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms.

7. Appointment of a successor or additional trustee or paying agent with respect to the Bonds or the change of name of such a trustee or paying agent.

(c) Whenever the District obtains knowledge of the occurrence of a Listed Event under Section 5(b) hereof, the District shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the District determines that knowledge of the occurrence of a Listed Event under Section 5(b) hereof would be material under applicable federal securities laws, the District shall (i) file a notice of such occurrence with the Repository in a timely manner not in excess of 10 business days after the occurrence of the event or (ii) provide notice of such reportable event to the Dissemination Agent in format suitable for filing with the Repository in a timely manner not in excess of 10 business days after the occurrence of the event. The Dissemination Agent shall have no duty to independently prepare or file any report of Listed Events. The Dissemination Agent may conclusively rely on the District's determination of materiality pursuant to Section 5(c).

SECTION 6. Termination of Reporting Obligation. The District's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(a) or Section 5(b), as applicable.

SECTION 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent (or substitute Dissemination Agent) to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign upon 15 days written notice to the District. Upon such resignation, the District shall act as its own Dissemination Agent until it appoints a successor. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Agreement and shall not be responsible to verify the accuracy, completeness or materiality of any continuing disclosure information provided by the District. The District shall compensate the Dissemination Agent for its fees and expenses hereunder as agreed by the parties. Any entity succeeding to all or substantially all of the Dissemination Agent's corporate trust business shall be the successor Dissemination Agent without the execution or filing of any paper or further act.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the District may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5(a) or 5(b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances;

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds; and

(d) No duties of the Dissemination Agent hereunder shall be amended without its written consent thereto.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(b), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure

Agreement, the District shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the District to comply with any provision of this Disclosure Agreement any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Agreement in the event of any failure of the District to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Dissemination Agent acts hereunder solely for the benefit of the District; this Disclosure Agreement shall confer no duties on the Dissemination Agent to the Participating Underwriter, the Holders and the Beneficial Owners. The District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. The Dissemination Agent shall have no liability for the failure to report any event or any financial information as to which the District has not provided an information report in format suitable for filing with the Repository. The Dissemination Agent shall not be required to monitor or enforce the District's duty to comply with its continuing disclosure requirements hereunder.

SECTION 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: ________, 2019

MARIN COMMUNITY COLLEGE DISTRICT

By ____
Assistant Superintendent/Vice President of Administrative Services

DIGITAL ASSURANCE CORPORATION, as dissemination agent

By ____
Authorized Officer

EXHIBIT A

NOTICE TO REPOSITORY OF FAILURE TO FILE ANNUAL REPORT

Name of District: MARIN COMMUNITY COLLEGE DISTRICT

Name of Bond Issue: Election of 2016 General Obligation Bonds, Series B (Federally Tax-Exempt)
Election of 2016 General Obligation Bonds, Series B-1 (Federally Taxable)

Date of Issuance: _______________, 2019

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate relating to the Bonds. The District anticipates that the Annual Report will be filed by _____________.

Dated:_______________________

MARIN COMMUNITY COLLEGE DISTRICT

By ____[form only; no signature required]_____

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APPENDIX D

GENERAL ECONOMIC AND DEMOGRAPHIC INFORMATION FOR THE CITY OF NOVATO AND MARIN COUNTY

The following information regarding the City of Novato (the "City") and Marin County (the "County") is included only for the purpose of supplying general information regarding the local community and economy. The Bonds are not a debt of the County. This material has been prepared by or excerpted from the sources as noted herein and has not been reviewed for accuracy by the District or Bond Counsel.

General

The City of Novato. The City of Novato is located in northern Marin County. The City lies in the region known as the North Bay in the San Francisco Bay Area. The City has a total of 28 square miles and of which approximately 0.5 square miles is water. The City was incorporated on January 20, 1960 as a general law city. The City operates under a council-manager form of government and is governed by a five-member city council whose members are elected at large to serve four-year terms.

Marin County. The County is located in the northern portion of the San Francisco Bay Area, north of San Francisco across the Golden Gate Bridge. The County is one of the nine counties of the greater San Francisco Bay Area. The County's transportation facilities are excellent, with U.S. Highway 101 and U.S. Interstate Highway 580 providing easy access to the rest of California and the West. Buses provide commuter service to San Francisco and other Bay Area cities, and commuter ferries embark for San Francisco from the communities of Sausalito, Tiburon, and Larkspur. The County is bordered by Sonoma County to the north and is surrounded by the Pacific Ocean and the San Francisco Bay. The County has a total area of 828 square miles, 308 of which is water. The County was created on February 18, 1850. The County seat is San Rafael.

Population

The following table below summarizes population estimates in the City, County and State during years 2009 through 2018.

POPULATION ESTIMATES
2009 through 2018
City of Novato, Marin County and State of California

Year[1]	City of Novato	Marin County	State of California
2009	51,634	250,760	36,966,713
2010[2]	51,904	252,409	37,253,956
2011	52,236	254,091	37,529,913
2012	52,764	255,992	37,874,977
2013	53,374	257,522	38,234,391
2014	54,068	260,622	38,568,628
2015	54,429	262,409	38,912,464
2016	54,593	263,210	39,179,627
2017	54,516	263,262	39,500,973
2018	54,551	263,886	39,809,693

[1] As of January 1.
[2] As of April 1.
Source: 2010: U.S. Department of Commerce, Bureau of the Census, for April 1.
2009, 2011-18 (2000 and 2010 Demographic Research Unit Benchmark): California Department of Finance for January 1.

Personal Income

The following table summarizes per capita personal income for the County, State of California and United States during years 2008 through 2017.

PER CAPITA PERSONAL INCOME
2008 through 2017
Marin County, State of California and the United States

Year	Marin County	State of California	United States
2008	$90,711	$43,895	$40,904
2009	82,249	42,050	39,284
2010	84,002	43,609	40,545
2011	90,963	46,145	42,727
2012	97,274	48,751	44,582
2013	98,203	49,173	44,826
2014	106,548	52,237	47,025
2015	114,455	55,679	48,940
2016	117,552	57,497	49,831
2017	124,552	59,796	51,640

Note: Per capital personal income is the total personal income divided by the total mid-year population estimates of the U.S. Bureau of the Census. Estimates for 2010 through 2017 reflect county population estimates available as of March 2018. All dollar estimates are in current dollars (not adjusted for inflation).
Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Employment

The following table summarizes the labor force, employment and unemployment figures for the City, the County, the State and the United States from 2013 through 2017.

CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT RATE
2013 through 2017[1]
City of Novato, Marin County, State of California and the United States

Year and Area	Labor Force	Employment[2]	Unemployment[3]	Unemployment Rate (%)
2013				
City of Novato	29,100	27,600	1,500	5.1
Marin County	138,400	131,200	7,200	5.2
State of California	18,625,000	16,958,400	1,666,600	8.9
United States	155,389,000	143,929,000	11,460,000	7.4
2014				
City of Novato	29,200	28,000	1,200	4.2
Marin County	139,100	133,200	5,900	4.3
State of California	18,758,400	17,351,300	1,407,100	7.5
United States	155,922,000	146,305,000	9,617,000	6.2
2015				
City of Novato	29,300	28,300	1,000	3.5
Marin County	139,500	134,600	4,900	3.5
State of California	18,896,500	17,724,800	1,171,700	6.2
United States	157,130,000	148,834,000	8,296,000	5.3
2016				
City of Novato	29,700	28,700	900	3.2
Marin County	140,300	135,700	4,600	3.3
State of California	19,093,700	18,048,800	1,044,800	5.5
United States	159,187,000	151,436,000	7,751,000	4.9
2017				
City of Novato	29,300	28,600	800	2.6
Marin County	141,300	137,300	4,000	2.9
State of California	19,312,000	18,393,100	918,900	4.8
United States	160,320,000	153,337,000	6,982,000	4.4

Note: Data is not seasonally adjusted.
(1) Annual averages, unless otherwise specified.
(2) Includes persons involved in labor-management trade disputes.
(3) The unemployment rate is computed from unrounded data; therefore, it may differ from rates computed from rounded figures in this table.
Source: U.S. Department of Labor – Bureau of Labor Statistics, California Employment Development Department. March 2017 Benchmark.

Industry

The following table summarizes the average annual industry employment in the County from 2013 through 2017.

LABOR FORCE AND INDUSTRY EMPLOYMENT ANNUAL AVERAGES
2013 through 2017
Marin County

Type of Employment	2013	2014	2015	2016	2017
Farm	400	400	300	300	300
Mining and Logging	0	0	0	0	0
Construction	5,700	6,100	6,500	6,800	7,200
Manufacturing	2,900	3,500	4,000	4,500	4,900
Transportation, Warehousing & Utilities	1,100	1,200	1,300	1,300	1,300
Wholesale Trade	2,400	2,500	2,600	2,500	2,500
Retail Trade	13,900	14,300	14,200	14,400	14,600
Information	2,900	2,800	2,900	2,900	2,700
Financial Activities	7,300	6,800	6,400	6,200	5,800
Professional and Business Services	18,600	18,000	18,000	18,000	17,500
Educational and Health Services	19,400	19,700	20,100	20,600	21,100
Leisure and Hospitality	14,400	15,100	15,400	16,100	16,700
Other Services	5,200	5,200	5,200	5,500	5,800
Government	15,400	15,400	15,500	15,500	15,700
Total All Industries	109,700	110,900	112,300	114,500	116,000

Note: The “Total, All Industries” data is not directly comparable to the employment data found herein.
Source: State of California, Employment Development Department, Labor Market Information Division, Average Labor Force and Industry Employment. March 2017 Benchmark.

Largest Employers

The following tables list the principal employers located in the City and the County.

LARGEST EMPLOYERS
2017
City of Novato

Employer	Number of Employees
BioMarin Pharmaceuticals	875
Novato Unified School District	850
2K/Visual Concepts	600
Novato Community Hospital	321
City of Novato	300
Costco Wholesale	298
Safeway Stores	275
Bradley Electric	271
Novato Healthcare Center	223
Buck Institute	195

Source: "Comprehensive Annual Financial Report" of the City of Novato, California for year ending June 30, 2017.

LARGEST EMPLOYERS
2017
Marin County

Employer	Number of Employees
County of Marin	2,282
Kaiser Permanente Medical Center	2,061
Marin General Hospital	1,757
San Quentin State Prison	1,662
Novato Unified School District	800
Autodesk, Inc.	719
San Rafael City Schools	700
Glassdoor	500
Dominican University	456
Marin County Office of Education	351

Source: "Comprehensive Annual Financial Report" of Marin County, California for year ending June 30, 2017.

Commercial Activity

Summaries of annual taxable sales for the City and the County from 2012 through 2016 are shown in the following tables.

TAXABLE SALES
2012 through 2016
City of Novato
(Dollars in Thousands)

Year	Retail Permits	Retail Stores Taxable Transactions	Total Permits	Total Taxable Transactions
2012	959	$608,642	1,603	$697,162
2013	1,017	613,173	1,652	710,358
2014	1,009	602,722	1,652	709,323
2015	--	586,000	--	706,914
2016	--	585,263	--	701,735

Note: Beginning in 2015, the outlet counts in these reports show the number of outlets that were active during the reporting period. Retailers that operate part-time are now tabulated with store retailers. Industry-level data for 2015 are not comparable to that of prior years.
Source: "Taxable Sales in California (Sales & Use Tax)," California State Board of Equalization.

TAXABLE SALES
2012 through 2016
Marin County
(Dollars in Thousands)

Year	Retail Permits	Retail Stores Taxable Transactions	Total Permits	Total Taxable Transactions
2012	6,207	$3,357,884	10,057	$4,333,600
2013	6,550	3,605,108	10,414	4,664,920
2014	6,457	3,745,315	10,272	4,861,801
2015	--	3,836,153	--	5,046,316
2016	--	3,855,662	--	5,045,785

Note: Beginning in 2015, the outlet counts in these reports show the number of outlets that were active during the reporting period. Retailers that operate part-time are now tabulated with store retailers. Industry-level data for 2015 are not comparable to that of prior years.
Source: "Taxable Sales in California (Sales & Use Tax)," California State Board of Equalization.

Construction Activity

The annual building permit valuations and number of permits for new dwelling units issued from 2013 through 2017 for the City and the County are shown in the following tables.

BUILDING PERMIT VALUATIONS
2013 through 2017
City of Novato
(Dollars in Thousands)

	2013	2014	2015	2016	2017
Valuation ($000's)					
Residential	$16,701	$21,806	$21,236	$23,558	$23,498
Non-Residential	18,349	22,803	23,156	21,115	27,091
Total	$35,050	$44,609	$44,392	$44,673	$50,589
Units					
Single Family	13	30	16	18	6
Multiple Family	12	0	14	0	0
Total	25	30	30	18	6

Note: Totals may not add to sum due to rounding.
Source: Construction Industry Research Board.

BUILDING PERMIT VALUATIONS
2013 through 2017
Marin County
(Dollars in Thousands)

	2013	2014	2015	2016	2017
Valuation ($000's)					
Residential	$244,886	$288,905	$282,016	$265,417	$258,520
Non-Residential	133,886	186,282	550,397	125,041	294,720
Total	$378,772	$475,187	$832,413	$390,458	$468,563
Units					
Single Family	90	112	121	89	67
Multiple Family	212	76	20	17	50
Total	302	188	141	106	117

Note: Totals may not add to sum due to rounding.
Source: Construction Industry Research Board.

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APPENDIX E

MARIN COUNTY COMMINGLED INVESTMENT POOL

The following information concerning the Marin County Commingled Investment Pool (the "Investment Pool") has been provided by the Director of Finance (the "Director of Finance") of Marin County (the "County"), and has not been confirmed or verified by the District, the Municipal Advisor or the Underwriter. The District and the Underwriter have not made an independent investigation of the investments in the Investment Pool and have made no assessment of the current County investment policy. The value of the various investments in the Investment Pool will fluctuate on a daily basis as a result of a multitude of factors, including generally prevailing interest rates and other economic conditions. Additionally, the Director of Finance, with the consent of the County Board of Supervisors, may change the County investment policy at any time. Therefore, there can be no assurance that the values of the various investments in the Investment Pool will not vary significantly from the values described herein. Finally, neither the District, the Municipal Advisor, nor the Underwriter make any representation as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof, or that the information contained or incorporated hereby by reference is correct as of any time subsequent to its date. Additional information regarding the Investment Pool may be obtained from the Director of Finance's website at http://www.marincounty.org/depts/df/divisions/treasurer; however, the information presented on such website is not incorporated herein by any reference.

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COUNTY OF MARIN

APPROVED
DEC - 4 2018
MARIN COUNTY
BOARD OF SUPERVISORS

DIVISION OF THE DEPARTMENT OF FINANCE

TREASURER

Excellent and responsive fiscal leadership.

Roy Given, CPA
DIRECTOR

Mina Martinovich, CPA
ASSISTANT DIRECTOR

Karen Shaw
FINANCE DIVISION CHIEF

Marin County Civic Center
3501 Civic Center Drive
Suite 209
PO Box 4220
San Rafael, CA 94913-4220
415 473 6143 T
415 473 3741 F
CRS Dial 711
www.marincounty.org/treas

December 4, 2018

Damon Connolly, President
Board of Supervisors
County of Marin
3501 Civic Center Dr. #329
San Rafael, CA 94903

Mary Jane Burke
Superintendent of Schools
Marin County Office of Education
P.O. Box 4925
San Rafael, CA 94913

Marin County Schools,
Special Districts, and
MCERA

RE: MONTHLY REPORT OF COUNTY, SCHOOLS AND DISTRICT INVESTMENTS as of October 31, 2018.

Dear Investment Fund Participants:

The attached Monthly Report of County, Schools and District investments is provided for your review.

* The investments were made pursuant to Government Code Sections 53601, 53635 and comply with the County Treasurer's Statement of Investment Policy. The investment policy provides for:

- Preservation of capital through high quality investments;
- Maintenance of sufficient liquidity to meet participant operating needs; and
- A rate of return consistent with the above objectives.

* Maturities are scheduled to meet participant expenditure requirements for the next six months.

* Attached spreadsheets identify investment type, issuer, maturity date, amount invested and fair market value for each security held. Fair market values were determined by Wells Fargo Institutional Trust Services on all securities except for investments in the Local Agency Investment Fund which was valued at face value by us. Adjustments have been made for premiums, discounts and accrued interest on discount securities to make the book value and fair market value more comparable.

I trust you find this report informative. Should you have any questions do not hesitate to call me.

Respectfully submitted,

Roy Given

Roy Given
Director of Finance

RG: sa
Attachments

cc: Matthew Hymel, County Administrator
Marin County Treasury Oversight Committee

6A-52

TREASURER DIVISION - DEPARTMENT OF FINANCE
REPORT OF INVESTMENTS - OPERATING FUNDS
COUNTY OF MARIN, SCHOOLS & SPECIAL DISTRICTS

October 31, 2018

INVESTMENT #	TYPE	FACE VALUE	STATED RATE	MATURITY DATE	PURCHASE DATE	BOOK VALUE	YTM 360 DAYS	YTM 365 DAYS	DESCRIPTION	MARKET VALUE
142	LA1	244,521.22	2.967	/ /	07/01/2011	244,521.22	2.114	2.144	Local Agency Investment Fund	244,521.22
3490	LA2	0.00	5.170	/ /	07/01/2011	0.00	0.000	0.001	MM-DREYFUS	0.00
9149	LA2	10,059,832.77	0.040	/ /	07/01/2011	10,059,832.77	2.002	2.030	MM-FIDELITY Institutional Gov	10,059,832.77
4366	LA2	0.00	4.930	/ /	07/01/2011	0.00	0.009	0.010	NATIONS Treasury Reserves	0.00
2246	LA2	7,050,646.72	4.760	/ /	07/01/2011	7,050,646.72	1.972	2.000	MM-WELLS FARGO Institutional G	7,050,646.72
12148	FAD	4,000,000.00	1.950	11/01/2018	07/09/2018	3,975,083.33	1.962	1.989	Federal Home Loan Discount	4,000,000.00
12010	FAD	7,500,000.00	1.530	11/02/2018	12/29/2017	7,401,825.00	1.566	1.588	Federal Home Loan Discount	7,499,550.00
11994	FAD	6,000,000.00	1.550	11/05/2018	12/14/2017	5,915,783.33	1.588	1.610	Fed Home Ln Mtg Corp Disc	5,998,560.00
11993	FAD	3,000,000.00	1.550	11/06/2018	12/14/2017	2,957,762.50	1.588	1.610	Fed Home Ln Mtg Corp Disc	2,999,100.00
12130	FAD	5,000,000.00	1.950	11/07/2018	05/30/2018	4,956,395.83	1.967	1.994	Fed Home Ln Mtg Corp Disc	4,998,200.00
12150	FAD	3,000,000.00	1.990	11/08/2018	07/25/2018	2,982,421.67	2.001	2.029	Federal Home Loan Discount	2,998,740.00
12139	FAD	4,000,000.00	0.000	11/13/2018	06/19/2018	3,967,986.67	1.975	2.003	Fed Home Ln Mtg Corp Disc	3,997,080.00
12149	FAD	3,500,000.00	0.000	11/14/2018	07/23/2018	3,477,722.50	2.022	2.050	Federal Home Loan Discount	3,497,235.00
11808	FAC	5,000,000.00	1.200	11/15/2018	05/15/2017	5,000,000.00	1.183	1.200	Federal Home Loan Bank	4,997,850.00
12157	FAD	5,000,000.00	1.970	11/15/2018	07/27/2018	4,969,629.17	1.982	2.009	Federal Home Loan Discount	4,995,750.00
12011	FAD	8,000,000.00	0.000	11/16/2018	01/02/2018	7,889,053.33	1.607	1.629	Fed Home Ln Mtg Corp Disc	7,992,720.00
11271	FAC	5,000,000.00	1.150	11/19/2018	11/19/2015	5,000,000.00	1.134	1.150	Fed Natl Mtg Assoc	4,997,050.00
12129	FAD	7,000,000.00	0.000	11/19/2018	05/29/2018	6,934,025.00	1.968	1.995	Federal Home Loan Discount	6,992,370.00
12152	FAD	3,000,000.00	0.000	11/20/2018	07/25/2018	2,980,431.67	2.003	2.030	Fed Home Ln Mtg Corp Disc	2,996,550.00
12151	FAD	3,000,000.00	0.000	11/21/2018	07/25/2018	2,980,265.83	2.003	2.030	Fed Home Ln Mtg Corp Disc	2,996,370.00
12156	FAD	3,000,000.00	2.010	11/26/2018	07/27/2018	2,979,565.00	2.023	2.051	Fed Home Ln Mtg Corp Disc	2,995,470.00
11945	FAC	5,000,000.00	1.600	11/27/2018	11/27/2017	4,997,485.00	1.628	1.650	Federal Farm Credit Bank	4,997,800.00

INVESTMENT #	TYPE	FACE VALUE	STATED RATE	MATURITY DATE	PURCHASE DATE	BOOK VALUE	YTM 360 DAYS	YTM 365 DAYS	DESCRIPTION	MARKET VALUE
11622	FAC	5,000,000.00	1.050	11/28/2018	11/28/2016	5,000,000.00	1.035	1.050	Fed Home Ln Mtg Corp	4,995,750.00
12016	FAD	6,000,000.00	0.000	11/28/2018	01/03/2018	5,903,493.33	1.805	1.830	Federal Farm Credit Bank Disc	5,990,220.00
12155	FAD	5,000,000.00	2.010	11/29/2018	07/27/2018	4,965,104.17	2.024	2.052	Fed Home Ln Mtg Corp Disc	4,991,500.00
11624	FAC	5,000,000.00	1.010	11/30/2018	11/30/2016	5,000,000.00	0.996	1.010	Fed Home Ln Mtg Corp	4,995,300.00
11990	FAD	30,000,000.00	1.540	11/30/2018	12/13/2017	29,548,266.67	1.579	1.601	Federal Home Loan Discount	29,947,200.00
12116	FAC	5,000,000.00	1.750	12/14/2018	05/11/2018	4,988,635.00	2.108	2.137	Federal Home Loan Bank	4,996,400.00
11667	FAC	5,000,000.00	1.200	12/14/2018	12/14/2016	5,000,000.00	1.183	1.200	Fed Home Ln Mtg Corp	4,994,050.00
12084	FAC	10,548,000.00	1.125	12/14/2018	04/05/2018	10,483,340.76	1.993	2.020	Fed Natl Mtg Assoc	10,533,443.76
11995	FAD	20,000,000.00	1.530	12/14/2018	12/15/2017	19,690,600.00	1.569	1.591	Federal Home Loan Discount	19,946,800.00
11996	FAD	30,000,000.00	1.530	12/14/2018	12/18/2017	29,539,725.00	1.569	1.591	Federal Home Loan Discount	29,920,200.00
12035	FAD	10,000,000.00	1.700	12/14/2018	01/31/2018	9,850,305.56	1.742	1.766	Federal Home Loan Discount	9,973,400.00
12051	FAD	15,000,000.00	1.930	12/14/2018	02/28/2018	14,767,595.83	1.986	2.013	Federal Home Loan Discount	14,960,100.00
12088	FAD	8,000,000.00	1.850	12/14/2018	04/09/2018	7,897,633.33	1.899	1.925	Federal Home Loan Discount	7,978,720.00
12089	FAD	12,000,000.00	1.850	12/14/2018	04/10/2018	11,847,066.67	1.899	1.925	Federal Home Loan Discount	11,968,080.00
12090	FAD	15,000,000.00	1.850	12/14/2018	04/11/2018	14,809,604.17	1.899	1.925	Federal Home Loan Discount	14,960,100.00
12095	FAD	12,000,000.00	0.000	12/17/2018	04/17/2018	11,853,600.00	1.847	1.872	Federal Home Loan Discount	11,965,800.00
12132	FAD	3,000,000.00	2.000	12/17/2018	06/11/2018	2,968,500.00	2.054	2.082	Federal Home Loan Discount	2,991,450.00
12092	FAD	15,000,000.00	0.000	12/18/2018	04/16/2018	14,810,375.00	1.899	1.925	Federal Home Loan Discount	14,956,350.00
12158	FAD	3,000,000.00	2.030	12/19/2018	07/27/2018	2,975,470.83	2.046	2.075	Fed Home Ln Mtg Corp Disc	2,991,090.00
12133	FAD	3,000,000.00	2.000	12/20/2018	06/13/2018	2,968,333.33	2.054	2.082	Federal Home Loan Discount	2,990,910.00
11675	FAC	5,000,000.00	1.200	12/21/2018	12/21/2016	5,000,000.00	1.183	1.200	Fed Home Ln Mtg Corp	4,992,950.00
12134	FAD	3,000,000.00	2.000	12/21/2018	06/13/2018	2,968,166.67	2.054	2.082	Federal Home Loan Discount	2,990,700.00
12059	FAD	10,000,000.00	1.830	12/21/2018	03/16/2018	9,857,666.67	1.882	1.908	Fed Home Ln Mtg Corp Disc	9,969,000.00
12064	FAD	15,000,000.00	1.830	12/21/2018	03/22/2018	14,791,075.00	1.882	1.908	Fed Home Ln Mtg Corp Disc	14,953,500.00
12082	FAD	5,000,000.00	1.830	12/24/2018	04/04/2018	4,932,900.00	1.878	1.904	Fed Home Ln Mtg Corp Disc	4,983,600.00
12065	FAD	9,500,000.00	1.830	12/26/2018	03/23/2018	9,365,749.17	1.882	1.908	Fed Home Ln Mtg Corp Disc	9,467,605.00
12083	FAD	5,000,000.00	0.000	12/27/2018	04/04/2018	4,932,137.50	1.878	1.904	Fed Home Ln Mtg Corp Disc	4,982,650.00

INVESTMENT #	TYPE	FACE VALUE	STATED RATE	MATURITY DATE	PURCHASE DATE	BOOK VALUE	YTM 360 DAYS	YTM 365 DAYS	DESCRIPTION	MARKET VALUE
12093	FAD	10,000,000.00	1.850	12/28/2018	04/16/2018	9,868,444.44	1.899	1.925	Federal Home Loan Discount	9,964,700.00
12159	FAD	7,000,000.00	0.000	12/31/2018	07/27/2018	6,937,418.06	2.068	2.097	Federal Home Loan Discount	6,973,960.00
12164	FAD	3,500,000.00	0.000	01/02/2019	08/17/2018	3,472,764.17	2.045	2.074	Federal Home Loan Discount	3,486,140.00
12165	FAD	3,500,000.00	0.000	01/03/2019	08/17/2018	3,472,566.81	2.046	2.074	Federal Home Loan Discount	3,485,930.00
12170	FAD	3,500,000.00	2.100	01/04/2019	08/27/2018	3,473,458.33	2.116	2.145	Fed Home Ln Mtg Corp Disc	3,485,685.00
11963	FAC	4,250,000.00	1.700	01/07/2019	12/07/2017	4,248,767.50	1.703	1.727	Federal Farm Credit Bank	4,245,622.50
12162	FAD	5,000,000.00	2.050	01/08/2019	07/30/2018	4,953,875.00	2.069	2.097	Federal Home Loan Discount	4,978,300.00
12184	FAD	3,000,000.00	2.210	01/09/2019	10/03/2018	2,981,951.67	2.223	2.254	Federal Home Loan Discount	2,986,770.00
12193	FAD	4,000,000.00	2.220	01/10/2019	10/16/2018	3,978,786.67	2.231	2.262	Federal Home Loan Discount	3,982,120.00
12160	FAD	8,500,000.00	2.050	01/11/2019	07/27/2018	8,418,683.33	2.069	2.098	Federal Home Loan Discount	8,461,410.00
12169	FAD	5,000,000.00	0.000	01/14/2019	08/24/2018	4,957,894.44	2.138	2.167	Federal Home Loan Discount	4,976,350.00
12126	FAD	7,000,000.00	2.020	01/15/2019	05/25/2018	6,907,697.22	2.081	2.110	Federal Home Loan Discount	6,966,470.00
12146	FAD	5,000,000.00	1.990	01/15/2019	07/02/2018	4,945,551.39	2.053	2.082	Federal Home Loan Discount	4,976,050.00
12147	FAD	3,000,000.00	1.980	01/15/2019	07/06/2018	2,968,155.00	2.043	2.072	Federal Home Loan Discount	2,985,630.00
12180	FAD	3,000,000.00	0.000	01/16/2019	09/27/2018	2,979,788.70	2.199	2.230	Federal Home Loan Discount	2,985,420.00
12181	FAD	3,000,000.00	2.185	01/17/2019	09/27/2018	2,979,606.60	2.199	2.230	Federal Home Loan Discount	2,985,240.00
12166	FAD	3,000,000.00	0.000	01/18/2019	08/20/2018	2,973,700.83	2.108	2.137	Fed Home Ln Mtg Corp Disc	2,985,060.00
12168	FAD	4,500,000.00	0.000	01/22/2019	08/22/2018	4,459,646.25	2.129	2.158	Fed Home Ln Mtg Corp Disc	4,476,420.00
12167	FAD	3,000,000.00	0.000	01/23/2019	08/20/2018	2,972,830.00	2.109	2.138	Fed Home Ln Mtg Corp Disc	2,984,100.00
12185	FAD	3,000,000.00	2.240	01/24/2019	10/03/2018	2,978,906.67	2.255	2.287	Federal Home Loan Discount	2,983,890.00
11522	FAC	5,000,000.00	1.000	01/25/2019	07/25/2016	5,000,000.00	0.986	1.000	Fed Natl Mtg Assoc	4,983,650.00
12177	FAD	8,000,000.00	2.200	01/25/2019	09/24/2018	7,939,866.67	2.216	2.247	Federal Home Loan Discount	7,956,560.00
12179	FAD	7,500,000.00	2.170	01/28/2019	09/26/2018	7,443,941.67	2.186	2.216	Fed Home Ln Mtg Corp Disc	7,457,850.00
12094	FAD	5,000,000.00	0.000	01/30/2019	04/16/2018	4,925,743.06	1.900	1.926	Federal Home Loan Discount	4,971,250.00
12141	FAD	8,000,000.00	2.030	01/30/2019	06/22/2018	7,899,853.33	2.085	2.114	Federal Home Loan Discount	7,954,000.00
12194	FAD	4,000,000.00	2.290	01/30/2019	10/16/2018	3,973,028.89	2.305	2.337	Federal Home Loan Discount	3,977,000.00
12067	FAD	10,000,000.00	1.850	01/30/2019	03/27/2018	9,841,208.33	1.902	1.929	Fed Home Ln Mtg Corp Disc	9,942,500.00

INVESTMENT #	TYPE	FACE VALUE	STATED RATE	MATURITY DATE	PURCHASE DATE	BOOK VALUE	YTM 360 DAYS	YTM 365 DAYS	DESCRIPTION	MARKET VALUE
12127	FAD	5,000,000.00	2.000	01/30/2019	05/25/2018	4,930,555.56	2.060	2.088	Fed Home Ln Mtg Corp Disc	4,971,250.00
12186	FAD	5,000,000.00	2.260	01/31/2019	10/04/2018	4,962,647.22	2.277	2.308	Federal Home Loan Discount	4,970,950.00
12188	FAD	7,000,000.00	2.210	01/31/2019	10/10/2018	6,951,441.39	2.225	2.256	Federal Home Loan Discount	6,959,330.00
12189	FAD	5,000,000.00	2.230	01/31/2019	10/11/2018	4,965,311.11	2.245	2.276	Federal Home Loan Discount	4,970,950.00
12191	FAD	8,000,000.00	2.275	01/31/2019	10/15/2018	7,945,400.00	2.290	2.322	Federal Home Loan Discount	7,953,520.00
12178	FAD	3,000,000.00	2.200	02/01/2019	09/24/2018	2,976,166.67	2.217	2.248	Federal Home Loan Discount	2,981,970.00
12038	MC1	100,000.00	3.500	02/01/2019	02/13/2018	100,115.07	3.448	3.495	MARIN COUNTY	100,115.07
12197	FAD	3,500,000.00	2.270	02/04/2019	10/18/2018	3,475,944.31	2.285	2.317	Federal Home Loan Discount	3,478,300.00
12200	FAD	3,000,000.00	2.250	02/05/2019	10/22/2018	2,980,125.00	2.265	2.296	Fed Home Ln Mtg Corp Disc	2,981,190.00
12199	FAD	3,000,000.00	2.250	02/06/2019	10/22/2018	2,979,937.50	2.265	2.296	Fed Home Ln Mtg Corp Disc	2,981,010.00
12192	FAD	5,000,000.00	2.210	02/07/2019	10/15/2018	4,964,701.39	2.225	2.256	Fed Home Ln Mtg Corp Disc	4,968,000.00
12210	FAD	10,000,000.00	2.280	02/08/2019	10/30/2018	9,936,033.33	2.294	2.326	Fed Home Ln Mtg Corp Disc	9,935,400.00
12190	FAD	6,000,000.00	0.000	02/11/2019	10/12/2018	5,953,843.33	2.287	2.319	Federal Home Loan Discount	5,960,040.00
12211	FAD	3,000,000.00	2.280	02/12/2019	10/30/2018	2,980,050.00	2.295	2.327	Fed Home Ln Mtg Corp Disc	2,979,840.00
12212	FAD	3,000,000.00	2.280	02/13/2019	10/30/2018	2,979,860.00	2.295	2.327	Fed Home Ln Mtg Corp Disc	2,979,630.00
12206	FAD	3,000,000.00	2.280	02/14/2019	10/25/2018	2,978,720.00	2.296	2.328	Federal Home Loan Discount	2,979,450.00
12204	FAD	3,000,000.00	0.000	02/20/2019	10/24/2018	2,977,390.00	2.297	2.329	Federal Home Loan Discount	2,978,250.00
12203	FAD	3,000,000.00	2.280	02/21/2019	10/24/2018	2,977,200.00	2.297	2.329	Federal Home Loan Discount	2,978,070.00
12201	FAD	7,000,000.00	0.000	02/25/2019	10/23/2018	6,944,097.22	2.318	2.350	Federal Home Loan Discount	6,947,010.00
12202	FAD	3,000,000.00	0.000	02/26/2019	10/23/2018	2,975,850.00	2.318	2.350	Federal Home Loan Discount	2,977,080.00
11539	FAC	5,000,000.00	1.000	02/28/2019	08/30/2016	5,000,000.00	0.986	1.000	Federal Home Loan Bank	4,976,900.00
12198	FAD	10,000,000.00	2.290	02/28/2019	10/19/2018	9,916,033.33	2.309	2.341	Federal Home Loan Discount	9,922,300.00
12207	FAD	8,000,000.00	2.315	02/28/2019	10/26/2018	7,935,694.44	2.333	2.366	Fed Home Ln Mtg Corp Disc	7,937,840.00
11750	FAC	5,000,000.00	1.375	03/15/2019	03/15/2017	5,000,000.00	1.356	1.375	Fed Home Ln Mtg Corp	4,981,150.00
12205	FAD	8,000,000.00	2.330	03/22/2019	10/24/2018	7,922,851.11	2.352	2.385	Federal Home Loan Discount	7,925,120.00
11834	FAC	5,000,000.00	1.375	03/29/2019	06/29/2017	5,000,000.00	1.356	1.375	Federal Home Loan Bank	4,978,000.00
11555	FAC	5,000,000.00	1.125	03/29/2019	09/29/2016	5,000,000.00	1.109	1.125	Fed Home Ln Mtg Corp	4,973,150.00

INVESTMENT #	TYPE	FACE VALUE	STATED RATE	MATURITY DATE	PURCHASE DATE	BOOK VALUE	YTM 360 DAYS	YTM 365 DAYS	DESCRIPTION	MARKET VALUE
12091	FAD	5,000,000.00	2.080	03/29/2019	04/11/2018	4,898,311.11	2.142	2.171	Fed Agric Mtg Corp Discount	4,950,850.00
12208	FAD	15,000,000.00	2.340	03/29/2019	10/29/2018	14,852,775.00	2.363	2.396	Federal Home Loan Discount	14,852,550.00
12153	FAD	20,000,000.00	0.000	04/15/2019	07/26/2018	19,690,244.44	2.185	2.215	Federal Home Loan Discount	19,776,400.00
12154	FAD	75,000,000.00	2.120	04/15/2019	07/26/2018	73,838,416.67	2.185	2.215	Federal Home Loan Discount	74,161,500.00
11799	FAC	5,000,000.00	1.410	04/26/2019	04/26/2017	5,000,000.00	1.390	1.410	Fed Home Ln Mtg Corp	4,972,100.00
12174	FAD	5,500,000.00	2.270	05/07/2019	08/31/2018	5,413,645.42	2.324	2.356	Fed Home Ln Mtg Corp Disc	5,429,435.00
12117	FAC	5,000,000.00	2.250	05/15/2019	05/15/2018	5,000,000.00	2.219	2.250	Federal Home Loan Bank	4,992,250.00
11602	FAC	5,000,000.00	1.100	05/15/2019	11/15/2016	5,000,000.00	1.084	1.100	Fed Home Ln Mtg Corp	4,960,050.00
11813	FAC	5,000,000.00	1.400	05/24/2019	05/24/2017	5,000,000.00	1.380	1.400	Federal Home Loan Bank	4,967,850.00
12173	FAD	5,500,000.00	2.310	06/07/2019	08/30/2018	5,400,830.42	2.366	2.399	Fed Home Ln Mtg Corp Disc	5,417,060.00
11823	FAC	5,000,000.00	1.400	06/14/2019	06/14/2017	5,000,000.00	1.380	1.400	Fed Home Ln Mtg Corp	4,962,800.00
12172	FAD	10,000,000.00	2.250	06/14/2019	08/29/2018	9,819,375.00	2.312	2.344	Federal Home Loan Discount	9,844,400.00
12142	FAC	5,000,000.00	2.350	06/25/2019	06/25/2018	5,000,000.00	2.317	2.350	Federal Farm Credit Bank	4,993,100.00
11830	FAC	5,000,000.00	1.450	06/28/2019	06/28/2017	5,000,000.00	1.430	1.450	Federal Home Loan Bank	4,961,750.00
10800	RRP	50,432.49	3.500	07/01/2019	07/01/2014	50,432.49	3.452	3.500	MARIN COUNTY	50,432.49
11711	FAC	5,000,000.00	1.500	07/26/2019	01/26/2017	5,000,000.00	1.479	1.500	Fed Home Ln Mtg Corp	4,957,100.00
11848	FAC	5,000,000.00	1.530	07/26/2019	07/26/2017	5,000,000.00	1.509	1.530	Fed Home Ln Mtg Corp	4,958,200.00
11523	FAC	5,000,000.00	0.750	07/26/2019	07/26/2016	5,000,000.00	1.227	1.244	Fed Natl Mtg Assoc	4,975,950.00
11530	FAC	5,000,000.00	1.250	08/15/2019	08/15/2016	5,000,000.00	1.232	1.250	Fed Home Ln Mtg Corp	4,944,750.00
11862	FAC	5,000,000.00	1.500	08/22/2019	08/22/2017	5,000,000.00	1.479	1.500	Federal Home Loan Bank	4,954,150.00
11816	FAC	5,000,000.00	1.500	08/30/2019	05/30/2017	5,000,000.00	1.479	1.500	Fed Home Ln Mtg Corp	4,951,200.00
12196	FAD	3,750,000.00	2.600	09/03/2019	10/18/2018	3,663,333.33	2.683	2.721	Fed Agric Mtg Corp Discount	3,668,100.00
11542	FAC	5,000,000.00	1.125	09/09/2019	09/09/2016	4,995,000.00	1.143	1.159	Fed Natl Mtg Assoc	4,934,050.00
11873	FAC	5,000,000.00	1.375	09/12/2019	09/12/2017	5,000,000.00	1.356	1.375	Federal Farm Credit Bank	4,941,150.00
11875	MC1	46,000.00	3.500	09/15/2019	09/15/2017	46,000.00	3.452	3.500	MARIN COUNTY	46,000.00
11546	FAC	5,000,000.00	0.850	09/16/2019	09/16/2016	5,000,000.00	1.568	1.590	Fed Home Ln Mtg Corp	4,986,150.00
11764	FAC	5,000,000.00	1.250	09/27/2019	03/27/2017	5,000,000.00	1.672	1.696	Federal Home Loan Bank	4,972,550.00

INVESTMENT #	TYPE	FACE VALUE	STATED RATE	MATURITY DATE	PURCHASE DATE	BOOK VALUE	YTM 360 DAYS	YTM 365 DAYS	DESCRIPTION	MARKET VALUE
12004	FAC	5,000,000.00	1.850	09/27/2019	12/27/2017	5,000,000.00	1.825	1.850	Federal Home Loan Bank	4,962,950.00
11771	FAC	5,000,000.00	1.570	09/27/2019	03/30/2017	5,000,000.00	1.548	1.570	Fed Home Ln Mtg Corp	4,946,300.00
11558	FAC	5,000,000.00	1.000	09/30/2019	09/30/2016	5,000,000.00	1.593	1.616	Fed Home Ln Mtg Corp	4,983,250.00
12187	FAD	10,000,000.00	2.590	09/30/2019	10/09/2018	9,743,877.78	2.677	2.714	Fed Agric Mtg Corp Discount	9,762,300.00
12195	FAD	10,000,000.00	0.000	10/07/2019	10/17/2018	9,743,611.11	2.688	2.725	Federal Home Loan Discount	9,754,400.00
11577	FAC	3,035,000.00	0.750	10/24/2019	10/24/2016	3,035,000.00	1.356	1.375	Fed Home Ln Mtg Corp	3,019,096.60
11584	FAC	5,000,000.00	1.300	10/25/2019	10/28/2016	5,000,000.00	1.282	1.300	Fed Home Ln Mtg Corp	4,928,100.00
11579	FAC	5,000,000.00	1.200	10/25/2019	10/25/2016	5,000,000.00	1.183	1.200	Fed Natl Mtg Assoc	4,924,850.00
11912	FAC	5,000,000.00	1.650	10/30/2019	10/30/2017	5,000,000.00	1.627	1.650	Fed Home Ln Mtg Corp	4,944,500.00
11885	FAC	5,000,000.00	1.520	12/27/2019	09/27/2017	4,998,750.00	0.900	0.913	Federal Home Loan Bank	4,926,150.00
11690	FAC	5,000,000.00	1.500	12/30/2019	12/30/2016	5,000,000.00	1.479	1.500	Fed Home Ln Mtg Corp	4,925,400.00
11691	FAC	5,000,000.00	1.250	12/30/2019	12/30/2016	5,000,000.00	1.617	1.639	Fed Home Ln Mtg Corp	4,961,050.00
12039	MC1	100,000.00	3.500	02/01/2020	02/13/2018	100,115.07	3.448	3.495	MARIN COUNTY	100,115.07
12163	FAC	5,000,000.00	2.600	02/10/2020	08/10/2018	5,000,000.00	2.564	2.600	Federal Farm Credit Bank	4,989,200.00
12061	FAC	5,000,000.00	2.400	03/20/2020	03/20/2018	5,000,000.00	2.367	2.400	Federal Home Loan Bank	4,965,900.00
12099	FAC	5,000,000.00	2.500	04/20/2020	04/20/2018	5,000,000.00	2.465	2.500	Federal Home Loan Bank	4,973,100.00
11835	FAC	5,000,000.00	1.250	06/29/2020	06/29/2017	5,000,000.00	1.842	1.868	Federal Home Loan Bank	4,933,850.00
12069	FAC	5,000,000.00	2.500	06/29/2020	03/29/2018	5,000,000.00	2.466	2.500	Federal Home Loan Bank	4,956,500.00
12007	FAC	5,000,000.00	2.000	06/29/2020	12/29/2017	5,000,000.00	1.972	2.000	Fed Home Ln Mtg Corp	4,925,900.00
11858	FAC	5,000,000.00	1.685	08/14/2020	08/15/2017	5,000,234.03	1.381	1.400	Federal Home Loan Bank	4,895,300.00
11866	FAC	5,000,000.00	1.800	08/28/2020	08/28/2017	5,000,000.00	1.775	1.800	Federal Home Loan Bank	4,897,500.00
12171	FAC	3,165,000.00	2.700	08/28/2020	08/28/2018	3,165,000.00	2.663	2.700	Federal Home Loan Bank	3,149,839.65
11876	MC1	44,000.00	3.500	09/14/2020	09/15/2017	44,000.00	3.452	3.500	MARIN COUNTY	44,000.00
11880	FAC	5,000,000.00	1.800	09/21/2020	09/21/2017	5,000,000.00	1.775	1.800	Fed Home Ln Mtg Corp	4,892,100.00
12182	FAC	5,000,000.00	2.850	09/28/2020	09/28/2018	4,993,250.00	2.879	2.919	Fed Home Ln Mtg Corp	4,991,300.00
11890	FAC	5,000,000.00	1.500	09/29/2020	09/29/2017	5,000,000.00	1.862	1.888	Fed Home Ln Mtg Corp	4,911,200.00
11908	FAC	5,000,000.00	1.850	10/27/2020	10/27/2017	5,000,000.00	1.824	1.850	Fed Natl Mtg Assoc	4,892,050.00

INVESTMENT #	TYPE	FACE VALUE	STATED RATE	MATURITY DATE	PURCHASE DATE	BOOK VALUE	YTM 360 DAYS	YTM 365 DAYS	DESCRIPTION	MARKET VALUE
12209	FAC	5,000,000.00	3.050	11/02/2020	10/30/2018	5,000,000.00	3.008	3.049	Federal Home Loan Bank	4,998,100.00
11931	FAC	4,700,000.00	1.500	11/17/2020	11/17/2017	4,700,000.00	2.128	2.157	Fed Home Ln Mtg Corp	4,667,053.00
11991	FAC	5,000,000.00	2.000	12/14/2020	12/14/2017	5,000,000.00	1.972	2.000	Federal Home Loan Bank	4,899,100.00
11992	FAC	5,000,000.00	2.000	12/14/2020	12/14/2017	5,000,000.00	1.972	2.000	Federal Home Loan Bank	4,899,100.00
12124	FAC	5,000,000.00	2.700	12/21/2020	05/21/2018	4,994,600.00	2.706	2.744	Federal Farm Credit Bank	4,968,650.00
12032	FAC	5,000,000.00	2.300	01/26/2021	01/26/2018	5,000,000.00	2.268	2.300	Federal Home Loan Bank	4,924,100.00
12034	FAC	5,000,000.00	2.200	01/29/2021	01/29/2018	5,000,000.00	2.169	2.200	Federal Home Loan Bank	4,902,550.00
12040	MC1	100,000.00	3.500	01/31/2021	02/13/2018	100,115.07	3.448	3.495	MARIN COUNTY	100,115.07
12045	FAC	5,000,000.00	2.125	02/12/2021	02/12/2018	5,000,000.00	2.337	2.369	Federal Home Loan Bank	4,956,600.00
12050	FAC	5,000,000.00	2.420	02/26/2021	02/28/2018	5,000,000.00	2.386	2.420	Fed Home Ln Mtg Corp	4,933,000.00
12108	FAC	5,000,000.00	2.700	04/30/2021	04/30/2018	5,000,000.00	2.663	2.700	Fed Home Ln Mtg Corp	4,960,350.00
12143	FAC	5,000,000.00	2.550	06/28/2021	06/28/2018	5,000,000.00	2.966	3.007	Fed Home Ln Mtg Corp	4,989,000.00
12183	FAC	5,000,000.00	3.020	06/28/2021	09/28/2018	5,000,000.00	2.979	3.021	Fed Home Ln Mtg Corp	4,990,900.00
12161	FAC	5,000,000.00	2.850	07/30/2021	07/30/2018	5,000,000.00	2.810	2.850	Fed Home Ln Mtg Corp	4,967,750.00
11877	MC1	42,000.00	3.560	09/15/2021	09/15/2017	42,000.00	3.511	3.560	MARIN COUNTY	42,000.00
12175	FAC	5,000,000.00	2.950	09/17/2021	09/17/2018	4,997,500.00	2.926	2.967	Federal Home Loan Bank	4,974,200.00
12041	MC1	100,000.00	3.560	02/01/2022	02/13/2018	100,117.04	3.507	3.555	MARIN COUNTY	100,117.04
11738	RRP	666,959.70	4.500	02/28/2022	03/01/2017	666,959.70	4.438	4.500	MARIN COUNTY	666,959.70
11869	RRP	1,879,579.23	4.500	09/01/2022	09/01/2017	1,879,579.23	4.438	4.500	MARIN COUNTY	1,879,579.23
11878	MC1	40,000.00	3.648	09/15/2022	09/15/2017	40,000.00	3.598	3.648	MARIN COUNTY	40,000.00
12042	MC1	100,000.00	3.648	02/01/2023	02/13/2018	100,119.93	3.593	3.643	MARIN COUNTY	100,119.93

	1,070,071,972.13	1,061,213,077.05		1,063,113,579.82
AMORTIZATION & ACCRETION OF PREMIUMS & DISCOUNTS		10,405.41	ACCRUED INTEREST DISCOUNT INVESTMENTS	
	1,070,071,972.13	1,061,223,482.46		1,063,113,579.82

TREASURER DIVISION - DEPARTMENT OF FINANCE
PORTFOLIO SUMMARY REPORT - OPERATING FUNDS
COUNTY OF MARIN, SCHOOLS & SPECIAL DISTRICTS
October 31, 2018

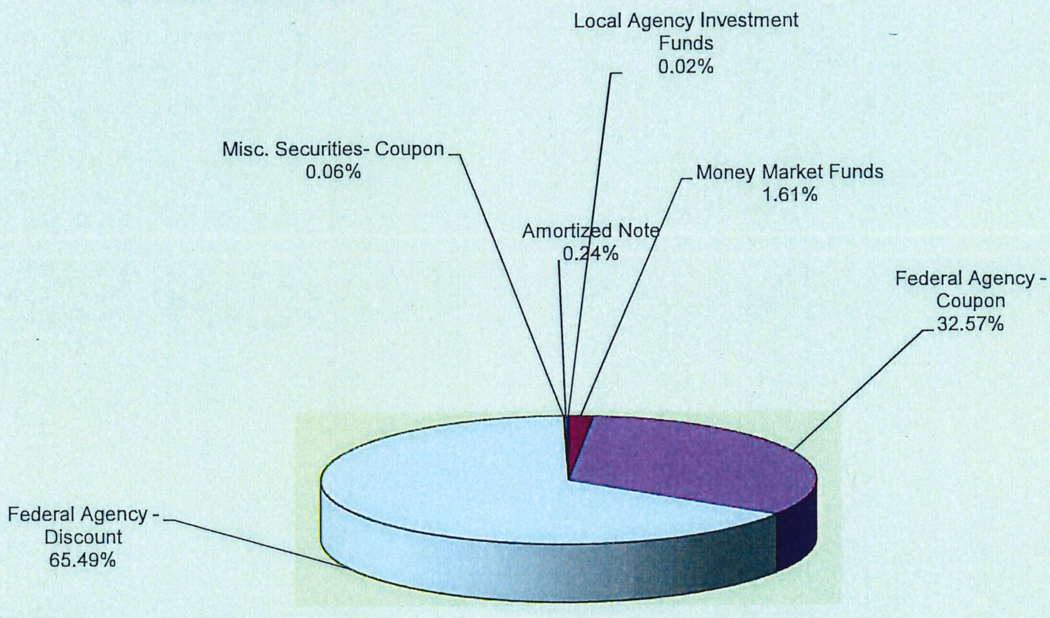
DESCRIPTION	ENDING BALANCE October 31, 2018	AVERAGE BALANCE October 31, 2018	WEIGHTED AVERAGE DAYS TO MATURITY	ANNUALIZED YIELD October 31, 2018	YIELD October 31, 2018
LOCAL AGENCY INVESTMENT FUNDS	$244,521.22	$243,924.46	1	2.144	2.144
MONEY MARKET FUNDS	$17,110,479.49	$19,626,608.52	1	2.014	2.018
FEDERAL AGENCY ISSUES - COUPON	$345,597,562.29	$341,699,388.56	418	1.771	1.806
FEDERAL AGENCY ISSUES - DISCOUNT	$694,990,960.45	$655,845,604.68	90	1.990	2.071
TREASURY SECURITIES - COUPON					
TREASURY SECURITIES - DISCOUNT					
MISC SECURITIES - COUPON	$672,582.18	$672,000.00	828	3.544	3.540
AMORTIZED NOTE	$2,596,971.42	$2,596,971.42	1,330	3.961	4.481
TOTALS & AVERAGES	$1,061,213,077.05	$1,020,684,497.64	199	1.923%	1.991%

The Local Agency Investment Funds is an open ended account and is not included in the total weighted days to maturity.

Treasurer Division - Department of Finance
Portfolio Yield Report - Operating Funds
County of Marin, Schools & Special Districts
October 31, 2018

INVESTMENT HOLDINGS	BOOK VALUE	10/31/18
Local Agency Investment Funds	$244,521.22	2.144%
Money Market Funds	$17,110,479.49	2.018%
Federal Agency - Coupon	$345,597,562.29	1.806%
Federal Agency - Discount	$694,990,960.45	2.071%
Misc. Securities- Coupon	$672,582.18	3.540%
Amortized Note	$2,596,971.42	4.481%
TOTAL	$1,061,213,077.05	1.991%

PORTFOLIO ALLOCATION



TREASURER DIVISION - DEPARTMENT OF FINANCE

REPORT OF INVESTMENTS - NON-OPERATING FUNDS

CHILDREN & FAMILIES COMMISSION

October 31, 2018

INVESTMENT #	TYPE	FACE VALUE	MATURITY DATE	PURCHASE DATE	BOOK VALUE	YTM 360 DAYS	YTM 365 DAYS	DESCRIPTION	MARKET VALUE
101	LA2	101,562.76	/ /	/ /	101,562.76	2.114	2.144	LOCAL AGENCY INVESTMENT FUND	101,562.76
		101,562.76			**101,562.76**				**101,562.76**

TREASURER DIVISION - DEPARTMENT OF FINANCE

REPORT OF INVESTMENTS - NON-OPERATING FUNDS

SAN RAFAEL SCHOOLS

October 31, 2018

INVESTMENT #	TYPE	FACE VALUE	MATURITY DATE	PURCHASE DATE	BOOK VALUE	YTM 360 DAYS	YTM 365 DAYS	DESCRIPTION	MARKET VALUE
687	LA1	0.00	/ /	/ /	0.00	5.181	5.253	LOCAL AGENCY INVESTMENT FUND	0.00
746	LA1	439,936.46	/ /	/ /	439,936.46	2.114	2.144	LOCAL AGENCY INVESTMENT FUND	439,936.46
		439,936.46			**439,936.46**				**439,936.46**
AMORTIZATION & ACCRETION OF PREMIUMS & DISCOUNTS					-0-				
		439,936.46			**439,936.46**				**439,936.46**